

1. Company details

Name of entity:	PPK Group Limited
ABN:	65 003 964 181
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

Statutory results	2025 \$'000	2024 ⁽¹⁾ \$'000	Change \$'000	Change %
Revenues from ordinary activities	24,259	28,186	(3,927)	(14%)
Loss after income tax from continuing operations	(33,008)	(11,972)	(21,036)	176%
Profit/(loss) after income tax from discontinued operations ²	7,291	(3,919)	11,210	(286%)
Loss after income tax for the year	(25,717)	(15,891)	(9,826)	62%
Loss for the year attributable to the owners of PPK Group Limited	(21,553)	(10,743)	(10,810)	101%

⁽¹⁾ The comparative information has been re-presented due to a discontinued operation in 2025.

⁽²⁾ The profit/(loss) from discontinued operations relates to the deconsolidation of Li-S Energy Limited as a controlled entity on 31 October 2024, and its reclassification to an investment in Associate on the same date, along with the related non-cash tax expense.

Underlying Results (unaudited, non-IFRS measure)

During the year there were a number of significant one-off and non-cash transactions across the business recorded in both continuing and discontinued operations.

At 30 June 2025 PPK Group Limited (PPK) was required under the Accounting Standards to impair its 39.24% investment in Li-S Energy Limited (LIS), which is accounted for as an investment in an Associate.

LIS is listed on the ASX and has a quoted market price for the shares that trade day-to-day. There is considered to be an active market for LIS shares. AASB13 Fair Value Measurement has required PPK to value its holding in LIS using the closing market price on 30 June 2025 of 10.5 cents per share as the Level 1 valuation input, less the estimated costs of disposal. As the initial investment in LIS (at deconsolidation at 31 October 2024) was recorded at 20.0 cents per share this has resulted in a non-cash impairment of \$22,413,000 before tax (\$16,810,000 post tax) at 30 June 2025. The impairment is included in the Statutory Loss from continuing operations and is fully attributable to the owners of PPK.

PPK does not trade LIS shares day-to-day, and does not view its holding in LIS as individual shares, but rather as a strategic holding of approximately 251 million shares, which therefore has incremental strategic value. Alternative valuation bases under the fair value hierarchy (i.e. Level 2 or Level 3) would have yielded different (i.e. higher) results but it was assessed that PPK was unable to use these approaches under the requirements of AASB13.

PPK notes that, post year end, the market price of LIS shares has increased to 16 cents per share (27 August 2025), which would currently reflect a reversal of approximately \$14 million before tax (approximately \$10 million post tax) of the impairment recorded at 30 June 2025. All profit impacts disclosed above are non-cash.

In addition to the complex transactions associated with the deconsolidation of LIS and its re-recognition as an Associate as reported at the Half Year, the Full Year results included the impairment of certain assets (generally intangibles assets) and a write-down on disposal of a business.

PPK Group Limited
Appendix 4E
Preliminary final report

These transactions will lead to a greater simplification of the financial statements in the future and improve the understandability of the results for shareholders. A reconciliation of the profit/(loss) before tax as set out in the Segment Note and underlying results (an unaudited, non-IFRS measure) is provided below:

Underlying profit/(loss) before tax reconciliation - by segment

Year ended 30 June 2025	PPE (Energy Storage)	WGL & BNNT (Technology)	LIS Energy ¹ (Discontinued)	Associates			Corporate	Total
				LIS Energy ²	CIB	AMAG		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reported profit / (loss) before tax	(3,244)	(6,893)	10,459	(24,157)	4,718	(3,439)	(4,701)	(27,257)
Gain on deconsolidation	-	-	(12,180)	-	-	-	-	(12,180)
Non-cash impairments and amortisation	475	4,361	-	22,413	-	3,246	-	30,495
Legal dispute ³	-	-	-	-	-	-	(1,102)	(1,102)
Donation of LIS shares	-	-	-	-	-	-	500	500
Underlying profit / (loss) before tax	(2,769)	(2,532)	(1,721)	(1,744)	4,718	(193)	(5,303)	(9,544)

(1) Results for 4 months to 31 October 2024 included as part of discontinued operations.

(2) Results for 8 months to 30 June 2025 included as part of associates accounted for using the equity method.

(3) This includes a recovery of costs from PPK Mining Group.

3. Net tangible assets

	30 June 2025 Cents	30 June 2024 Cents
Net tangible assets per ordinary security - statutory	40.7	43.8
Net tangible assets per ordinary security – adjusted (non-IFRS)	59.3	43.8

The net tangible assets per share exclude right-of-use assets recognised in accordance with AASB 16, as well as intangible assets and deferred tax.

The adjusted net tangible assets per share adds back the non-cash impairment of \$16,810,000 after tax of the investment in LIS.

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Name of entities (or group of entities)	Li-S Energy Limited
Date control lost	31 October 2024

On 31 October 2024, the deconsolidation of LIS was finalised following a series of transactions initiated by PPK. As a result, PPK ceased to control LIS and deconsolidated it from its accounts. The remaining 39.24% interest in LIS is now recognised as an investment in Associate under the equity method of accounting.

The non-cash gain before income tax on deconsolidation recognised in the profit and loss was \$12,180,000 (gain after income tax: \$9,012,000).

6. Dividends

Current period

	Amount per security Cents	Fully franked amount per security Cents
Special (in-specie) dividend for the year ended 30 June 2025	5.71	5.71

PPK paid a 5.71 cent per share special ordinary dividend on 31 October 2024, which was fully satisfied by an in-specie distribution of shares in Li-S Energy Limited.

The Directors have not declared a final dividend for the year ended 30 June 2025.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associate entities

Name of associate	Reporting entity's percentage holding		Contribution to profit/(loss)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Craig International Ballistics Pty Ltd	39.85%	39.85%	4,718	1,844
Li-S Energy Limited ¹	39.24%	-	(1,744)	-
AMAG Holdings Australia Pty Ltd	-	35.60%	(193)	(719)
<i>Group's aggregate share of associate entities' profit/(loss)</i>				
Profit/(loss) from ordinary activities			2,781	1,125

(1) On 31 October 2024 PPK ceased to control Li-S Energy Limited and deconsolidated it from its accounts. The remaining 39.24% interest in LIS is now recognised as an investment in associate.

Excludes the impairment on disposal of AMAG (\$3,246,000) and the impairment on the investment in LIS (\$22,413,000) which were both impairments made at the PPK group level.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments:

The Annual Report of PPK Group Limited for the year ended 30 June 2025 is attached.

12. Signed



Signed _____

Anne-Marie Birkill
Non-Executive Chair

Date: 29 August 2025

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PPK Group Limited

ABN 65 003 964 181

Annual Report

For the year ended 30 June 2025

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PPK Group Limited
Contents
For the year ended 30 June 2025

Corporate directory	2
Chair's report	3
Directors' report	6
Auditor's independence declaration	31
Environmental, social and governance (ESG) report	32
Consolidated statement of profit or loss and other comprehensive income	35
Consolidated statement of financial position	36
Consolidated statement of changes in equity	37
Consolidated statement of cash flows	38
Notes to the consolidated financial statements	39
Consolidated entity disclosure statement	93
Directors' declaration	94
Independent auditor's report to the members of PPK Group Limited	95
Shareholder information	100

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PPK Group Limited
Corporate directory
For the year ended 30 June 2025

Directors	Anne-Marie Birkill (Independent Non-Executive Chair) Glenn Molloy (Executive director) Rick Francis (Independent Non-Executive director) Marc Fenton (Managing Director)
Company secretaries	Will Shiel Liam Fairhall
Notice of annual general meeting	The details of the annual general meeting of PPK Group Limited are: Fully virtual AGM to be held on Wednesday 26 November 2025
Registered office and principal place of business	Level 13, 120 Edward Street Brisbane QLD 4000 Australia Telephone: +61 7 3054 4555 Email: info@ppkgroup.com.au
Share register	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 2000 Australia Telephone (within Australia): 1300 556 161 Telephone (International): +61 2 8234 5000 Contact: https://www.computershare.com/au/business/registry-services/contact-us
Auditor	Ernst & Young Level 51, 111 Eagle Street Brisbane QLD 4000 Australia
Solicitors	Mills Oakley Level 23, 66 Eagle Street Brisbane QLD 4000 Australia
Bankers	National Australia Bank Limited Level 17, 259 Queen Street Brisbane QLD 4000 Australia
Stock exchange listing	PPK Group Limited shares are listed on the Australian Securities Exchange (ASX code: PPK)
Website	www.ppkgroup.com.au
Corporate Governance Statement	PPK's directors and management are committed to conducting the Group's business ethically and in accordance with high standards of corporate governance. PPK Group Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found in the corporate governance section on the Company's website at www.ppkgroup.com.au .

Anne-Marie Birkill, Non-Executive Chair

Dear fellow shareholders,

In my 2024 report, I expressed confidence about PPK Group Limited's (PPK) future, grounded in the opportunities presented by our diverse portfolio. I'm pleased to report that this past financial year (FY25) has validated that perspective. We've seen positive developments across our businesses, many of which are operating at the forefront of global shifts - whether in renewable energy, ballistic protection, or advanced nanomaterials.

Portfolio Highlights

Craig International Ballistics (CIB): Outstanding Growth in Ballistic Protection

CIB has been our standout performer, delivering **record revenue of \$48.1 million**, representing **116% year-on-year growth**. Celebrating its 25th year, CIB continues to provide world-class ballistic protection to its customers including the Australian Defence Force and other law enforcement agencies.

FY25 saw CIB invest significantly in its capabilities, commissioning **the largest hydraulic press in the Southern Hemisphere** and introducing in-house ballistic testing - enabling faster product development and release. These strategic moves underpin the Company's current and future performance.

As reported in July 2025 we received an unsolicited, non-binding and indicative offer to acquire our interest in CIB. Due diligence materials were provided, and significant engagement occurred. Despite these discussions the offer was unable to be concluded; however, it did support PPK's broad expectations of value and attractiveness of the business.

CIB is accounted for as an associate of PPK. It is not controlled by PPK, and therefore its revenues are not included in PPK's consolidated revenue.

Li-S Energy (LIS): Technological Milestones and Strategic Alignment

A part of the **deconsolidation of Li-S Energy in October 2024**, PPK shareholders received an **in-specie, fully franked dividend with an implied value totalling \$5.2 million**. As PPK no longer controls LIS, our interest is now accounted for using the equity method, simplifying financial reporting.

Operationally LIS continues to achieve technical and commercial milestones, including:

- Delivering a **world-class 456 Wh/kg post-formation energy density** on a commercial-sized 10Ah lithium-sulfur cell
- Successfully powering a **drone flight** using Phase 3 cells
- Strengthening its manufacturing capability and advancing its partner pipeline

We are confident LIS will continue to execute on its roadmap in FY26 continuing to grow value for shareholders.

PowerPlus Energy (PPE): Positioned for Growth

PPE recorded revenue of **\$23.1 million** in FY25, a decrease of **16%** from the previous year. This was largely due to competitive price pressure and delays in consumer investment pending the Federal Government's **Cheaper Home Battery Program (CHBP)** announcement. Operational cost reductions were made early in FY25 and are now firmly embedded in the business.

With the CHBP launching on **1 July 2025**, PPE has directly benefited from an increase in orders with July 2025 sales up by approximately 40% from July 2024. It has recently had two battery products - the **Eco4847P** and **Whispr-7** - approved by the **Clean Energy Council**, meeting a key market entry requirement. We expect this increase in interest for batteries to continue, although delivery will be subject to managing supply constraints.

Nanomaterials: Operational Restructuring

Commercialising nanomaterials remains a long-term challenge. There has been no significant commercial demand for **BNNT**. With **White Graphene** there are some promising trials in coatings applications underway, but some trials have not met expectations. LIS continues to utilise boron nitride nanomaterials in the development of its lithium sulfur and lithium metal batteries.

Despite these setbacks, such challenges are not uncommon for early-stage technologies transitioning to market readiness. In July 2025, **White Graphene Ltd** and **BNNT Technology Pty Ltd** were merged to form a consolidated nanomaterials business - which is expected to deliver improved commercial efficiency and cost synergies.

Advanced Mobility Analytics Group (AMAG): Strategic Exit

In October 2024, PPK completed the disposal of its 30% shareholding in AMAG to **Transsoft Solutions**, a Canadian leader in transport safety systems. As I noted last year, the nature of AMAG's growth cycle made it better suited to a larger global platform, and we believe this transaction supports that trajectory. PPK recognised a non-cash impairment of \$3.2 million during the reporting period. PPK may receive additional consideration from the sale if specified targets are met over a four-year earn-out period.

Board and Governance Updates

Our global search for a director with energy sector experience resulted in the appointment of **Rick Francis** to the PPK Board in December 2024. Rick also joined the LIS Board and now chairs our **Audit and Risk Committee**, bringing valuable sector insight and governance experience. He is also a member of our Remuneration Committee.

We also acknowledge the resignation of **Marc Fenton as CEO**. Marc has led PPK with integrity and vision. We thank him for his significant contribution and wish him well in the future. A transition plan is in place to ensure leadership continuity.

Improving Shareholder Communication

In 2024, we pledged to improve transparency and frequency of communication. Over the past year, we have:

- Issued **three detailed shareholder updates**
- Hosted the **2024 AGM** at PPE's manufacturing facility
- Delivered a comprehensive **Investor Presentation**, and met with several brokers
- Responded to all shareholder enquiries within **five business days**
- Enhanced engagement through **LinkedIn** posts sharing Company news.

We remain committed to timely, honest communication—neither overstating opportunities nor underplaying challenges. Feedback is always welcome.

Looking Ahead to FY26

We are cautiously optimistic for FY26.

- **PPE** is implementing actions to scale operations in response to CHBP, and we will work with them to manage industry-wide working capital constraints.
- **CIB** is well-placed to fulfil its strong order book and maximise output from its new equipment. We remain open to interest in our strategic stake in CIB should further interest arise.
- **LIS** is progressing well toward commercialisation with clear technical and commercial milestones in sight.
- We will continue to develop a **structured strategy to participate in energy storage sector consolidation**.

AGM and Director Nominations

Given historically low attendance at physical AGMs and the significant costs incurred hosting the 2024 AGM at PPE, we will host our **2025 Annual General Meeting in virtual format** on **Wednesday, 26 November**. We encourage all shareholders to

PPK Group Limited
Chair's report
For the year ended 30 June 2025

attend and engage with the PPK Board and executive team. The Board will continue to assess the most appropriate structure and physical location for each AGM.

Nominations for director positions will close on **Tuesday, 7 October 2025**.

Thank you once again for your continued support. We look forward to building value together in the year ahead.

Yours sincerely,



Anne-Marie Birkill

Non-Executive Chair

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PPK Group Limited
Directors' report
For the year ended 30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'PPK Group') consisting of PPK Group Limited (referred to hereafter as the 'Company', 'parent entity' or 'PPK') and the entities it controlled at the end of, or during, the year ended 30 June 2025 ('FY25').

Directors

The following persons were directors of PPK Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Anne-Marie Birkill (appointed on 1 July 2024 as Independent Non-Executive Chair)
Glenn Molloy (Executive Director)
Rick Francis (appointed on 2 December 2024 as Independent Non-Executive director)
Marc Fenton (appointed on 1 July 2024 as Managing Director)
Robin Levison (Non-Executive Director - retired on 31 August 2024)

Principal activities

During the financial year the principal continuing activities of the Group consisted of investing capital and expertise in high potential opportunities with a current focus on energy storage, safety related products and nanomaterials. Our goal is to strengthen each investment and, if and when appropriate, exit the investment.

The current portfolio of businesses include:

- energy storage assets comprising Li-S Energy Limited and PowerPlus Energy Pty Ltd;
- ballistic protection products delivered through Craig International Ballistics Pty Ltd; and
- nanomaterials comprising BNNT Technology Pty Limited and White Graphene Limited.

PPK provides finance, IT, legal, and other strategic and transactional shared services to its portfolio companies. The strategic and transactional services include financial planning across multiple years, commercial activities, contract establishment, capital raising, risk management, IT architecture, cyber security, accounts payable, accounts receivable and payroll. PPK portfolio companies pay for these shared services, and those fees partially cover PPK's corporate costs.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Special dividend:</i>		
Special (in-specie) dividend for the year ended 30 June 2025 of 5.71 cents (2024: \$nil cents) per ordinary share	5,189	-

PPK paid a 5.71 cent per share special ordinary dividend, which was fully satisfied by an in-specie distribution of shares in Li-S Energy Limited in October 2024.

Final dividend:

The Directors have not declared a final dividend for the year ended 30 June 2025.

Review of operations

PPK Group holds a diversified portfolio of investments comprising operating entities: Craig International Ballistics (CIB) and PowerPlus Energy Pty Limited (PPE); and pre-revenue (R&D) ventures - Li-S Energy Limited (LIS), White Graphene Limited (WGL), and BNNT Technology Pty Ltd (BNNTTPL).

Investments in these businesses are either accounted for as controlled subsidiaries (PPE, WGL and BNNT) or associates (CIB and LIS).

During the financial year, LIS was reclassified from a controlled subsidiary to an associate following its deconsolidation from the Group on 31 October 2024.

The investment in Advanced Mobility Analytics Group (AMAG) was disposed of on 16 October 2024.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Underlying Results (unaudited, non-IFRS measure)

During the year there were a number of significant one-off and non-cash transactions across the business recorded in both continuing and discontinued operations.

At 30 June 2025 PPK was required under the Accounting Standards to impair its 39.24% investment in LIS, which is accounted for as an investment in an Associate.

LIS is listed on the ASX and has quoted market prices for the shares that trade day-to-day. There is considered to be an active market for LIS shares. AASB 13 Fair Value Measurement has required PPK to value its holding in LIS using the closing market price on 30 June 2025 of 10.5 cents per share as the Level 1 valuation input, less the estimated costs of disposal. As the initial investment in LIS (at deconsolidation on 31 October 2024) was recorded at 20.0 cents per share this has resulted in a non-cash impairment of \$22,413,000 before tax (\$16,810,000 post tax) at 30 June 2025. The impairment is included in the Statutory Loss from continuing operations and is fully attributable to the owners of PPK.

PPK does not trade LIS shares day-to-day, and does not view its holding in LIS as individual shares, but rather as a strategic holding of approximately 251 million shares, which therefore has incremental strategic value. Alternative valuation bases under the fair value hierarchy (i.e. Level 2 or Level 3) would have yielded different (i.e. higher) results but it was assessed that PPK was unable to use these approaches under the requirements of AASB 13.

PPK notes that, post year end, the market price of LIS shares has increased to 16 cents per share (27 August 2025), which would currently reflect a reversal of approximately \$14 million before tax (approximately \$10 million post tax) of the impairment recorded at 30 June 2025. All profit impacts disclosed above are non-cash.

In addition to the complex transactions associated with the deconsolidation of LIS and its re-recognition as an Associate as reported at the Half Year, the full year results included the impairment of certain assets (generally intangibles assets) and a write-down on disposal of a business.

These transactions will lead to a greater simplification of the financial statements in the future and improve the understandability of the results for shareholders. A reconciliation of the profit/(loss) before tax (based on the classifications as set out in the Segment Note) between statutory and underlying results (an unaudited, non-IFRS measure) is provided below:

Underlying profit/(loss) before tax reconciliation - by segment

Year ended 30 June 2025	PPE (Energy Storage)	WGL & BNNT (Technology)	LIS Energy ¹ (Discontinued)	Associates				Total
				LIS Energy ²	CIB	AMAG	Corporate	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reported profit / (loss) before tax	(3,244)	(6,893)	10,459	(24,157)	4,718	(3,439)	(4,701)	(27,257)
Gain on deconsolidation	-	-	(12,180)	-	-	-	-	(12,180)
Non-cash Impairments and amortisation	475	4,361	-	22,413	-	3,246	-	30,495
Legal dispute ³	-	-	-	-	-	-	(1,102)	(1,102)
Donation of LIS shares	-	-	-	-	-	-	500	500
Underlying profit / (loss) before tax	(2,769)	(2,532)	(1,721)	(1,744)	4,718	(193)	(5,303)	(9,544)

(1) Results for 4 months to 31 October 2024 included as part of discontinued operations.

(2) Results for 8 months to 30 June 2025 included as part of associates accounted for using the equity method.

(3) This includes a recovery of costs from PPK Mining Group.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Underlying profit/(loss) before tax reconciliation - by segment

Year ended 30 June 2024	Associates							Total
	PPE (Energy Storage)	WGL & BNNT (Technology)	LIS Energy ¹ (Discontinued)	LIS Energy	CIB	AMAG	Corporate	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reported profit / (loss) before tax	(2,957)	(4,153)	(3,919)	-	1,844	(719)	(7,341)	(17,245)
Non-cash Impairments and amortisation	506	-	-	-	-	-	-	506
Legal dispute	-	-	-	-	-	-	858	858
Underlying profit / (loss) before tax	(2,451)	(4,153)	(3,919)	-	1,844	(719)	(6,483)	(15,881)

(1) Results included as part of discontinued operations for 12 months.

Craig International Ballistics Pty Ltd (CIB)

CIB (Associate)	2025 \$'000	2024 ¹ \$'000	Change \$'000	Change %
Underlying profit before tax	4,718	1,844	2,874	156%
Distributions paid to PPK ⁽²⁾	1,581	2,750	(1,169)	(43%)

(1) This included a share buyback by CIB.

(2) CIB paid a further dividend to PPK of \$2.4m on 18 July 2025.

CIB provides customers with personal protection and opaque and transparent survivability solutions for vehicles, aircraft and marine vessels. CIB's manufacturing facilities are located on the Gold Coast in Queensland. CIB is a long-term leading supplier of ballistic protection to the Australian Defence Force delivering an important sovereign manufacturing capability.

For the second financial year in a row, CIB has been the stand-out performer of the PPK portfolio. CIB delivered its highest revenue ever with 116% revenue growth from FY24 with total revenue reaching \$48.1m.

In October 2024, CIB celebrated 25 years in business and continues to lead the industry with early adoption of new technology that will improve their product performance and shorten the lead time to bring new protection products to market. The hydraulic press is the latest example, which was successfully commissioned in the first half (H1) of FY25. The hydraulic press is the largest in the southern hemisphere within the ballistic protection industry and will support future increases in the size and production output of protection products. CIB also commissioned their in-house research and development laboratory for ballistic and stab/spike testing to accelerate their research and development efforts before external independent certifications. As the product order mix changes CIB needs to reconfigure parts of the factory floor and has implemented a series of modular, mobile aluminium workbenches that allow the production line to be reconfigured for varying ballistic product requirements.

The CIB workforce has increased in line with the production demands, and a Chief Technology Officer was appointed, who has brought an extensive knowledge of armour and protective products.

Through the financial year CIB participated in and attended several relevant trade shows, including the Land Forces 2024 event in Melbourne and the Shot Show in January in Las Vegas. These are important events to connect with industry, gain an understanding of the competitive landscape and showcase the latest CIB ballistic protection solutions.

CIB has a strong order book for FY26. With the global geopolitical landscape, supply chain risks and CIBs sovereign capabilities, CIB is attracting interest from local and international companies seeking to partner and collaborate.

CIB is accounted for as an associate of PPK. PPK recognises its share of profit.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

PowerPlus Energy Pty Ltd (PPE)

PPE (Energy Storage)	2025 \$'000	2024 \$'000	Change \$'000	Change %
Underlying loss before tax	(2,769)	(2,451)	(318)	13%
Distributions paid to PPK	-	-	-	-

PPE designs and manufactures modular lithium iron phosphate batteries and Battery Energy Storage Systems (BESSs) adapted to off grid, on grid and fringe of grid applications across Australia. With an established network of distributors and installers across the country, the company's core products are proudly Australian 'Made and Owned' with PPE's locally-based support a key differentiator.

Historically, PPE's go-to-market strategy has focussed on small scale commercial industrial solutions but with the announcement of the Cheaper Home Battery Program and rapid product innovation the company has expanded its product line-up to enter the residential market for the first time.

In FY25 PPE achieved revenue of \$23m, which is a decrease of 16% from FY24. This reduction is largely attributed to market conditions, in particular price-driven competition, and the deferral of investment across the country once the Cheaper Home Battery Program was announced prior to the Federal Election. Operational cost reductions were also made early in FY25 and are now firmly embedded in the business.

A major focus in 2025 was on product roadmap development to meet the ever-changing market needs and to leverage new battery technology capabilities. During the year PPE released the Eco4847P battery, which delivers 17.5% more capacity than its predecessor, while maintaining the same compact 2 Rack Unit. In late H2 FY25 the Eco4847P achieved Clean Energy Council accreditation and is now available through the Cheaper Home Batteries Program.

PPE also introduced the Whispr-7, a new residential all-in-one solution, which makes use of world leading CATL battery cells with a unique silent running inverter. The Whispr-7 is also Clean Energy Council approved and is now available for the Cheaper Home Batteries Program. The Whispr-7 is a result of a strategic technology partnership with Redx Technologies Australia that brings together two leading Australian innovators committed to shaping the future of smart energy solutions.

PPE is also developing innovative new products for applications outside the rebate program. Over the past year the teams at PPE and their partner RFI Technology Solutions have worked hand-in-hand, combining their expertise to address a critical need in the utilities and telecommunications sectors to replace aging lead acid batteries providing back-up power. The result is the innovative LiNET4835 version of the company's standard rack mounted batteries.

PPE has seen a strong start to FY26 and we expect strong demand for PPE products to continue across FY26 and beyond, primarily driven by the Cheaper Home Batteries Program, which was operational on 1 July 2025 and concludes in 2030.

Given the business has been incurring losses since acquisition, goodwill and intangibles acquired on acquisition have been impaired.

Li-S Energy Limited (LIS)

LIS Energy (Energy Storage)	2025 \$'000	2024 \$'000	Change \$'000	Change %
Underlying loss before tax:				
Discontinued operations: consolidated results for 4 months to 31 October 2024 (2024: 12 months to 30 June 2024)	(1,721)	(3,919)	2,198	(56%)
Associate loss: equity accounted result for 8 months to 30 June 2025 (2024: nil)	(1,744)	-	(1,744)	-

Note: Discontinued operations represent the losses up until 31 October 2024 while LIS was a controlled entity of PPK. Accordingly, these results represent 100% of LIS results (before non-controlling interests). The results post deconsolidation (i.e. the 8 months from 31 October 2024 to 30 June 2025) represent PPK's 39.24% share of LIS' losses for that period under equity accounting rules.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

LIS is listed on the ASX and has quoted market prices for the shares that trade day-to-day. There is considered to be an active market for LIS shares. AASB13 Fair Value Measurement has required PPK to value its holding in LIS using the closing market price on 30 June 2025 of 10.5 cents per share as the Level 1 valuation input. As the initial investment in LIS was recorded at 20.0 cents per share this has resulted in a non-cash impairment of \$22,413,000 before tax (\$16,810,000 post tax) at 30 June 2025.

LIS is commercialising lithium-sulfur and lithium-metal batteries. The battery cell will offer higher energy density, lighter weight, and improved safety. The target market sectors are primarily drones, defence and electric aviation where weight and safety performance are crucial. Key activities for LIS during FY25 included:

Strategic collaboration partners and partner pipeline development

- progression of mechanical design and pack integration for the Pegasus I long-endurance solar-electric drone under the \$1.35 million Emerging Aviation Technology Partnership (EATP) Grant, in collaboration with V-TOL Aerospace and Halocell;
- collaborating with New Zealand-based Kea Aerospace to support battery pack development for their solar stratospheric aircraft;
- post balance-date, appointment of Paladin Defense Services LLC as U.S. representative for engagement with the U.S. Department of Defense (DoD) and major defence contractors; exhibited at Land Forces and Avalon Airshow, and participated at the Paris Airshow, enhancing international visibility and prospect pipeline; and
- achieved AUKUS accreditation, enabling dual-use Li-S cell exports to the US and UK without permits.

Expanded manufacturing capability

- the Federal Government formally opened the Phase 3 facility in August 2024;
- completed and fully commissioned the Phase 3 facility, the largest pouch cell manufacturing facility in Australia and with cells now in routine production;
- installed and commissioned Phase 3S production line producing smaller format cells; and
- progressed installation and procurement for the lithium foil and laminate production line, backed by a \$1.7 million Industry Growth Program (IGP) Grant.

Battery cell performance improvements

- achieved a world-class 456 Wh/kg post formation energy density for a commercial sized 10Ah lithium-sulfur cell;
- successfully flew their first drone powered by Phase 3 cells in late H1 FY25; and
- completing the design and integration of the company's proprietary intelligent battery management system (BMS), tailored to the specific requirements of Li-S chemistry.

Further explanation of the PPK deconsolidation of LIS

As we reported at the Half Year, whilst going forward it will be much simpler for PPK shareholders to understand the impact of LIS on PPK's accounts, there were large movements in many of the balances in FY25 as we transitioned our investment in LIS from that of a controlled subsidiary to an Associate. We have been required to report and reclassify the consolidated results of LIS for the period up to deconsolidation (31 October 2024), the gain on deconsolidation and the prior year results for LIS separately as "Discontinued Operations". Further details have been set out in the notes to the financial statements.

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Nanomaterials

WGL & BNNT (Technology)	2025 \$'000	2024 \$'000	Change \$'000	Change %
Underlying loss before tax	(2,532)	(4,153)	1,621	(39%)

White Graphene Limited (WGL)

White Graphene (boron nitride nanosheet) is a super-strong, thermally conductive, thermally and chemically stable two-dimensional material that can be used as additives in a wide range of applications to improve material performance.

The market focus remains in the broad coatings and adjacent industries, which leverages the research results published in FY23. The WGL team provide scientific support on mixing and dispersion of the nanomaterials. These relationships are governed by non-disclosure agreements and the evaluation cycles are lengthy. As white graphene is an additive in nature, in other words it has the potential to make existing applications better, WGL is also dependent on how and when a prospect wants to go to market if the evaluation results warrant their commercialisation and the benefits achieved warrant the additional costs.

WGL has supplied white graphene to a number of local and international companies for their inhouse assessment and evaluation:

- in the clean energy industry, LIS continues to validate the use of white graphene in its next generation lithium sulfur and lithium metal battery chemistries;
- a luxury European watch manufacturer has ordered white graphene to conduct in house assessment for metal and ceramic composites and coatings; and
- a local paint manufacturer is evaluating white graphene.

A number of prospects have not progressed past the evaluation stage because the findings did not justify proceeding to commercial assessment.

Preliminary optimisation of the manufacturing process has resulted in a production rate of more than 20kg of high-quality white graphene per day, an order of magnitude higher than original targets.

WGL recently received approval from the Australian Industrial Chemicals Introduction Scheme under the Industrial Chemicals Act 2019 (Cth), covering both white graphene and BNNT. Importantly, the certificate demonstrates to prospects, partners and regulators that the nanomaterials have been assessed for human and environmental safety, for example toxicology testing.

Moving forward, the focus remains on progressing application evaluation with prospects, but we do not forecast material revenue from WGL in FY26.

BNNT Technology Pty Ltd (BNNTTPL)

BNNT Technology Pty Ltd manufactures boron nitride nanotubes (BNNTs), which are a type of nanotube that can provide a nanoscale structural reinforcement in a variety of materials.

As communicated previously, despite lowering the production cost there is currently limited market demand for BNNT outside of small research and development orders, which tend to range in order sizes less than 10 grammes. Therefore, BNNTTPL has reduced production capability and operational costs. We view the demand for BNNT as a market risk, not a technology risk. With this knowledge of the BNNT market, BNNTTPL has not progressed the BNNT-X production capability past lab scale.

The gold research results in FY25 did not warrant further investigation as the research results, which were based upon a method of integrating BNNT and gold, did not demonstrate the expected benefits.

LIS continues to validate the use of BNNT in its next generation lithium sulfur and lithium metal battery chemistries.

BNNTTPL provided further BNNT samples to an international space agency with encouraging feedback after their in-house technical assessment of the BNNT product, but this has not translated into further engagement or orders.

BNNTTPL has sufficient inventory of BNNT to supply prospects, but we do not forecast any material revenue from BNNTTPL in FY26.

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PPK Group Limited
Directors' report
For the year ended 30 June 2025

Advanced Mobility Analytics Group Pty Ltd (AMAG)

AMAG (Associate)	2025 \$'000	2024 \$'000	Change \$'000	Change %
Underlying loss before tax	(193)	(719)	526	(73%)

On 16 October 2024, PPK completed the disposal of its 30% shareholding in AMAG through an agreement with Transoft Solutions (International) Inc, a Canadian software company specializing in transport safety systems who acquired 100% of the shares in AMAG. The transaction involved:

- An initial consideration to all shareholders for the full acquisition of AMAG for \$1.5 million, primarily used to settle AMAG's existing debt.
- An uncapped performance-based earn-out over four years, tied to revenue thresholds.

Following the transaction, PPK has fully derecognised its investment in AMAG, and AMAG is no longer reported as part of the Group's equity-accounted entities. A non-cash impairment of \$3,246,000 in relation to the investment in AMAG has been recognised in the period ended 31 December 2024. The performance earn-out is subject to a high level of uncertainty and as such no amount has been recognised in relation to the future potential earn-out in the current period.

PPK Group results

Financial Performance – Statutory

The loss attributable to the Owners of PPK Group amounted to \$21,553,000 (2024: \$10,743,000).

The financial results in PPK's profit or loss statement, excluding results relating to discontinued operations (refer to Note 9), as summarised in Note 4 Operating segments show:

- Revenue from contracts with customers of \$24,259,000 (2024: \$28,186,000). As noted above, for completeness this does not include any revenue from CIB
- Other operating income/(losses) and finance income of \$513,000 (2024: 1,327,000)
- Share of profit from associates of \$2,781,000 (2024: profit of \$1,125,000)
- Non-cash impairment of \$3,246,000 on disposal of AMAG (Associate) - refer earlier commentary
- Non-cash impairment of \$22,413,000 (\$16,810,000 after tax) of investment in LIS (Associate) - refer earlier commentary
- Finance costs of \$1,196,000 (2024: \$1,565,000). These costs relate mainly to external convertible notes held by PPE
- Technology Segment expenses of \$6,996,000 (2024: \$9,339,000)
- Energy Storage Segment expenses of \$8,281,000 (2024: \$10,475,000)
- Corporate expenses of \$5,991,000 (2024: \$2,420,000)

Financial position at 30 June 2025

The Group continues to maintain a strong balance sheet as evidenced by:

- \$5,058,000 of cash and cash equivalents (2024: \$28,348,000) of which \$3,566,000 is directly held by PPK (2024: \$4,460,000);
- PPK received current year management fees of \$1,613,000 (2024: \$1,451,000) from non-wholly owned subsidiary companies and associates for providing shared support services;
- PPK has strategic interests in ASX listed companies which have a market value of approximately \$172,000 (2024: \$185,000) and would be available for sale, if required;
- On 1 July 2025, WGL acquired 100% of the shares in BNNT for shares in WGL. The merger was implemented to improve commercial efficiency and obtain operational synergies. The nanomaterials business has access to sufficient working capital funds to finance the planned research and development programs of the combined nanomaterials business; and
- PPK owns 251m shares in LIS which is an ASX listed company. PPK deconsolidated LIS on 31 October 2024.

Material business risks

The PPK board receives periodic risk updates as the risks can be PPK specific or originate from a portfolio company. The key risks assessed as at the date of this report include:

- Limited revenue generating opportunities from the subsidiaries impact PPK cashflow and ability to provide shareholder value;
- Investee company may not be adequately capitalised to meet strategic objectives;
- A cyber breach results in a loss of critical IP that impacts research and development progress, or impacts PPK ability to operate; and
- A subsidiary is negatively disrupted through an alternate innovation or alternate supply chain economics.

Significant changes in the state of affairs

Incorporation of a subsidiary

On 26 May 2025, a new wholly owned subsidiary of PowerPlus Energy Pty Ltd was incorporated, namely PPE Whispr Division Pty Ltd (PPE Whispr). The predominant purpose of PPE Whispr is to operate the new business of supplying Whispr-7 products and related services.

Issue of convertible notes

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPKIH) and PowerPlus Energy Pty Ltd (PPE) entered into a secured convertible note deed under which PPE issued up to \$2,000,000 in notes. PPK subscribed for up to \$1,000,000 in notes, with the remaining \$1,000,000 subscribed for proportionately by two director-related entities (Glenn Molloy).

The facility was available for drawdown by PPE in tranches on an as needs basis to meet its funding requirements. The notes issued under this facility are secured and include a redemption option in favour of PPE, with an early redemption premium applicable if the notes are redeemed before the maturity date. The notes bear interest at 10% per annum, have a maturity date of 16 August 2027, and include a conversion option allowing the notes to be converted into equity in PPE at a predetermined fixed conversion price.

As at 30 June 2025, \$1,600,000 was advanced under the facility, with \$800,000 advanced by PPKIH. Corresponding notes have been issued to PPKIH and the other subscribers in proportion to their advances. All transactions between PPKIH and PPE eliminate on consolidation.

Payment of in-specie dividend and deconsolidation of LIS

On 31 October 2024, PPK deconsolidated LIS. This loss of control occurred after PPK reduced its investment in LIS by the distribution of a fully franked in-specie dividend (with an implied value of \$5,189,000) to PPK shareholders of LIS shares, the sale of a number of LIS shares, a donation of LIS shares to Deakin University and the appointment of only one PPK nominee director (previously two) to the LIS Board.

As a result, PPK no longer considers that it controls LIS and now accounts for its retained interest in LIS as an associate under the equity method of accounting. The deconsolidation required:

- the derecognition of all LIS's assets (including goodwill) and liabilities from PPK's consolidated financial statements and derecognition of the related non-controlling interest recorded in equity;
- recognition of the remaining 39.24% interest in LIS at fair value (and associated deferred tax liability) as an investment in an associate; and
- recognition of a non-cash gain net of tax in the statement of profit or loss, reflecting the difference between the fair value of the remaining 39.24% investment in LIS and the net book carrying value of LIS prior to deconsolidation.

Trailblazer funding grants

During the year PPK's subsidiaries and associates received a total of \$1,409,000 in co-contributions from Deakin University under the Federal Government's Trailblazer funding program. LIS received \$1,225,000, and BNNTTPL received \$184,000.

Update on court proceedings

The Company continues to defend a claim in the Supreme Court of NSW in relation to a dispute originally arising in relation to the vesting conditions of a business acquired in 2014 with a vendor employee for the issue of a second tranche of \$500,000 of shares plus interest and costs.

As previously communicated, the Supreme Court of NSW issued its decision on relief and costs on 14 June 2024. The Company has satisfied the ordered award of 1,136,011 shares valued at \$500,000. The plaintiff elected not to appeal the decision on relief but sought leave to appeal the decision on costs. This application for leave to appeal was unsuccessful and the Company now expects to proceed with the relevant cost assessment processes. There have been no further material developments on this matter during FY25.

There were no other significant changes in the state of affairs of the Group during the financial year.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Matters subsequent to the end of the financial year

In July 2025 White Graphene Limited (WGL) and BNNT Technology Pty Ltd (BNNT) merged into a single nanomaterials business. As part of the transaction, WGL has acquired 100% of the shares in BNNT in exchange for shares in WGL. Following completion of the merger, PPK now directly holds 49.32% of the shares on issue in WGL while control is maintained, versus 48.91% prior to the merger. The merger was implemented to improve commercial efficiency and obtain operational synergies. Engagements with prospective partners and customers often involve the full suite of boron nitride nanomaterials, and a single point of entry into the Group's nanomaterials capability allows for more streamlined and coordinated discussions. The combination will also deliver governance, audit and overhead efficiencies.

As reported in July 2025 PPK received an unsolicited, non-binding and indicative offer to acquire its stake in CIB. Due diligence materials were provided during the second half of FY25, and significant engagement occurred. Despite these discussions the offer was unable to be concluded, however it does support PPK's broad expectations around the value and attractiveness of the business.

On 18 July 2025, PPK received a dividend from CIB of \$2,400,000.

On 25 August 2025 PPK extended the term of the \$2,000,000 loan from LIS for a further six months to October 2026.

As previously noted, PPK was required under the Accounting Standards to impair its 39.24% investment in LIS, which is accounted for as an investment in an Associate. The non-cash impairment of \$22,413,000 before tax (\$16,810,000 post tax) was based on a closing market price for LIS shares of 10.5 cents per share at 30 June 2025, less the estimated costs of disposal. PPK notes that, post year end, the market price of LIS shares has increased to 16 cents per share (27 August 2025), which would currently reflect a reversal of approximately \$14 million before tax (approximately \$10 million post tax) of the impairment recorded at 30 June 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Future developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations in subsequent financial years have been discussed where appropriate in the operating and financial review.

Environmental regulation

The Group is not subject to any particular or significant environmental regulation under the law of the Commonwealth or any State or Territory.

The Company is pleased to provide its fourth Sustainability Report, set out further below. The Company continues to monitor the thresholds for mandatory reporting requirements. At this stage, the Sustainability Report is not prepared in accordance with the relevant Australian Sustainability Reporting Standards (ASRS) issued by the Australian Accounting Standards Board (AASB) and it has not been audited.

Information on directors

Name: Anne-Marie Birkill
Title: Independent Non-Executive Chair (appointed on 1 July 2024)
Qualifications: BSc (Hons) MBA GAICD
Experience and expertise: Anne-Marie is an experienced Executive and Non-Executive director with private, public, industry and government boards and committees that support and finance technology companies. She has more than 30 years' experience in commercialising and developing products for the innovation and investment sectors.

Anne-Marie is a co-founder and director for OneVentures, a venture capital firm that invests in technology and healthcare companies with global potential. She is an active participant in the innovation community, including Chairing the Investment Committee for the \$150M UQ-lead Food and Beverage Accelerator and is a Non-Executive director for UniQuest Pty Ltd (the University of Queensland's main commercialisation company) and InterFinancial Corporate Finance Ltd. She is passionate about increasing diversity in the entrepreneurial, science and finance sectors.

Other current listed directorships: None

Former listed directorships (last 3 years): None

Special responsibilities: Chair of the Board
Chair of the Remuneration Committee
Member of the Audit and Risk Committee

Interests in shares: 17,400 ordinary shares

Interests in options: None

Interests in rights: None

Name: Glenn Molloy
Title: Executive director
Experience and expertise: Glenn founded the former entity Plaspak Pty Ltd in 1979 and has acted as a director of PPK since that time. He has extensive experience on public company boards, and in advising publicly listed and private entities on commercial aspects of mergers, acquisitions and divestment activities. He is a director of PowerPlus Energy Pty Ltd (PPE) and Craig International Ballistics Pty Ltd (CIB).

Other current listed directorships: None

Former listed directorships (last 3 years): None

Special responsibilities: Member of the Remuneration Committee

Interests in shares: 22,237,457 ordinary shares

Interests in options: None

Interests in rights: None

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PPK Group Limited
Directors' report
For the year ended 30 June 2025

Name: **Rick Francis**
Title: Independent Non-Executive director (appointed on 2 December 2024)
Qualifications: BCom, MBA, GAICD and CA
Experience and expertise: Rick has 25 years' experience in the energy and infrastructure sectors. He was the Managing director and CEO (and previously Chief Financial Officer) of Spark Infrastructure Group (previously ASX: SKI) for over a decade. At that time, SKI was a S&P/ASX 100 entity that made long-term investments in energy infrastructure assets and renewable electricity generation technologies. During his tenure, he was also a Non-Executive director of electricity distribution businesses, Victoria Power Networks (comprising CitiPower and Powercor) and SA Power Networks and was Deputy Chair of TransGrid, the operator of the high-voltage electricity transmission network in NSW and the ACT. Before this, Rick held senior roles at the APA Group (ASX: APA) and Origin Energy (ASX: ORG)

Other current listed directorships: Li-S Energy Limited (ASX: LIS) (appointed 18 February 2025)

Former listed directorships (last 3 years): None

Special responsibilities: Chair of the Audit and Risk Committee
Member of the Remuneration Committee

Interests in shares: None

Interests in options: None

Interests in rights: None

Name: **Marc Fenton**
Title: Chief-Executive Officer
Managing Director (appointed on 1 July 2024).
Mr Fenton provided notice of resignation on 6 June 2025 and has a six months' notice period.

Qualifications: BSc (Hons) IT, Grad Dip Business Management

Experience and expertise: Marc is the Managing Director of PPK Group Limited. He was the Head of Technology with Australian Agricultural Company and held various General Manager technology roles with Rio Tinto across technology strategy, organisation design, technology governance, outsourcing and cost reduction. Earlier in his career he worked in Deloitte across a broad range of industries and projects. He has worked and lived across Australia and internationally.

Other current listed directorships: None

Former listed directorships (last 3 years): Li-S Energy Limited (retired 18 February 2025)

Special responsibilities: None

Interests in shares: 5,599 ordinary shares

Interests in options: None

Interests in rights: 374,215 performance rights

Company secretaries

Will Shiel - BA (Hons) in Law FGIA

Appointed as General Counsel and Company Secretary on 16 August 2021.

Will has 20 years' experience in the legal industry. He specialises in all aspects of commercial law, with a particular focus on contracts and cutting-edge technology transactions.

Before joining PPK, Will was Head of Legal (Technology) at ASX Limited (ASX: ASX) where he managed a team responsible for technology, intellectual property and data matters. Before this, he held a variety of senior positions in Brisbane, Sydney and London at leading national and international law firms, including Allens Linklaters, Gilbert+Tobin and Clifford Chance.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Liam Fairhall - BLaw (Hons); BMed Rad Sci; Grad Dip ACGRM
 Appointed Company Secretary on 30 June 2022.

Liam is the Deputy General Counsel for PPK. He specialises in all aspects of corporate law and governance and has acted on a wide range of complex transactions, assisted multiple companies list on the ASX and advised Boards on a diverse range of regulatory and compliance issues. Before joining PPK, Liam was Head of Legal and Company Secretary at a technology focussed bank that specialises in the provision of payment products and financial crimes services. Before this, he was a Senior Associate in the Corporate Advisory Group of one of Brisbane's largest independent law firms.

Meetings of directors

The number of meetings of the Company's Board of directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Anne-Marie Birkill	11	12	2	2	3	3
Glenn Molloy	12	12	2	2	2	2
Rick Francis	6	6	-	-	1	1
Marc Fenton	12	12	-	-	-	-
Robin Levison	1	2	-	-	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the PPK Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

LIS was deconsolidated from the PPK Group effective 31 October 2024. Accordingly, remuneration disclosures relating to LIS are presented only for the period up to the date of deconsolidation.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. At PPK Group, KMP consists of the directors, the Managing Director and the Chief Financial Officer.

The executive KMP during the year were:

- Marc Fenton – Chief Executive Officer and Managing Director (CEO & MD); and
- Sarah Price – Chief Financial Officer (CFO).
- Glenn Molloy – Executive Director.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Link to Group performance
- Additional disclosures relating to key management personnel

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Principles used to determine the nature and amount of remuneration

The objective of the PPK Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The PPK Group Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its PPK Group directors and executives. The performance of the PPK Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- upholding goal congruence between executives and shareholders;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with ASX Corporate Governance principles, the structure of Non-Executive director and Executive director remuneration is separate.

Non-Executive directors' remuneration

Fees and payments to Non-Executive directors reflect the demands and responsibilities of their role. Non-Executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-Executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate Non-Executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held in November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$800,000.

Executives' (including Executive directors') remuneration

The PPK Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the PPK Group and comparable market remunerations.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the PPK Group and provides additional value to the executive.

For KMP, any incentives awarded are ordinarily calculated by reference to this fixed remuneration package.

Short-term Incentives Plan

The Short-term Incentives ('STI') Plan is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved.

The PPK Group has an STI program in place which is ordinarily paid in cash to Executives and Senior Management above their normal contracts and aligned with KPIs as recommended by the Nomination and Remuneration Committee and adopted by the Board. The Board retains full discretion in relation to the award of STIs. The KPIs are developed from the strategic and operating plans and are chosen to reflect the core drivers of short-term performance and delivery of sustainable value to the Company and its shareholders. Participation in the STI is considered on an annual basis.

Any STI awards are ordinarily paid in September reflecting performance in the previous financial year. Any STI awards to participants that join the Company mid-year are appropriately pro-rated.

For the CEO & MD, the post-tax component of the FY24 STI, paid in September 2024, was utilised to acquire shares in Li-S Energy Limited directly from PPK via an off-market transaction, reflecting a personal commitment in the Group's energy storage strategy and contributing to internal liquidity management. For the CFO the FY24 STI, paid in September 2024, was received in the form of vested rights in PPK, rather than cash, reinforcing long-term alignment with shareholder returns.

The KPIs for this financial year were based on the following key metrics:

Key metric	Targets	Weighting	FY24 Result
Nanomaterials businesses	Support the nanomaterial businesses on commercialisation and optimise the operating structures	30%	17%
Finance	Implement improved financial practices in relation to the portfolio company including accurate monthly cashflows	20%	20%
PowerPlus Energy	Integrate the PowerPlus Energy business and support revenue opportunities	30%	16%
Investor Relations	Investor relationship improvements	20%	20%

Long-term Incentive Plan

The Long-term Incentives ('LTI') are share-based payments. Performance rights may be awarded to senior executives, to be assessed over a measurement period of three years based on long-term vesting conditions. These include increase in shareholders' value relative to the entire market.

The Company had previously prepared a LTI Plan in September 2021. That plan was put to the shareholders of the Company at the AGM in November 2021 and this approval was refreshed at the AGM in November 2024. The Nomination and Remuneration Committee also reviewed the long-term equity-linked performance incentives specifically for executives for the year ended 30 June 2025, prior to the November 2024 AGM. The Company has not obtained any external advice from a remuneration consultant during this reporting period.

Structure and summary of the Long-Term Incentive Plan

The Nomination and Remuneration Committee will, on an annual basis, make recommendations to the Board on who should be offered Performance Rights, the number of Performance Rights to be offered and the vesting conditions that should attach to each Performance Right. The Board will consider those recommendations and seek further information as required.

A summary of the LTI Plan rules operated by the Company during the year is as follows:

FY25 Performance Rights

Plan structure	The Company makes use of a Trust to assist with the administration of the LTI Plan. The Board has appointed PPK Plans 2 Pty Ltd as the Trustee.
Term	Each right has a term of 15 years and, if not exercised within that term, the rights will lapse.
Performance rights	Each vested right can be exercised for one share in PPK Group Limited. No dividends accrue on the vested rights during the period.
Measurement period	The measurement period for the FY25 performance rights is a period of 3 years from 1 July 2024 to 30 June 2027.

Vesting conditions The nature and weighting of the vesting conditions are broadly consistent for each participant but are tailored for the role that each participant performs. The Nomination and Remuneration Committee will use its judgement to assess and recommend to the Board whether the vesting conditions have been met.

The measurement criteria used for the FY25 performance rights grant are a combination of internal and external metrics, as follows:

<u>Metrics</u>	<u>Weighting</u>
Strategic goals	30%
Operational goals	35%
ESG goals	10%
Absolute Total Shareholder Return (aTSR)	25%

The aTSR metric requires the Company to achieve a CAGR of at least 25% over the measurement period by reference to the VWAP use to calculate the initial grant of FY25 performance rights.

Gates No gates have been attached to these metrics.

Vesting and vesting date Rights will typically vest following the completion of the measurement period based on an assessment of the vesting conditions by the Directors, however rights may vest before the end of the measurement period in some limited circumstances.

Exercise restrictions No exercise restrictions are attached to these metrics.

Disposal restrictions Rights may not be disposed of at any time but they may be exercised following vesting.

No additional restrictions are attached to the shares that may be acquired when vested rights are exercised. Any disposal restrictions that apply to the shares will arise from the Company's Securities Trading Policy and the insider trading provisions of the Corporations Act.

Exercise and exercise price The exercise price is nil i.e. no amount needs to be paid by the participant in order to exercise the rights.

Vested rights may be exercised at any time after the vesting date and before the end of their term. In order to exercise vested rights, a participant must validly submit an exercise notice.

On exercise of vested rights, the Board will issue a settlement notice and ensure that there are a sufficient number of shares available to satisfy the exercised rights.

Termination of employment and service period If a participant's employment with the Company ceased during FY25, (the service period is the first year of the 3 year measurement period), the FY25 performance rights would ordinarily be forfeited in the proportion that the remainder of the FY25 bears to the full year. If the participant ceases employment in either year 2 or 3 of the measurement period, no rights are automatically forfeited

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based solely on time served.

Remaining unvested rights will be retained by the participant on termination, subject to the Malus and Clawback provisions, with a view to testing for possible vesting having regard to performance during the measurement period up to the date of cessation of employment. The Nomination and Remuneration Committee will be convened where required to consider any such off-cycle assessment of vesting conditions.

Vested rights held following a termination of employment may continue to be held by the participant unless the Board determines otherwise (i.e. cessation of employment is not a trigger for exercise).

Malus and Clawback Rights may be forfeited at any time, including during and subsequent to a participant's employment with the Company, should the Malus and Clawback provisions be enacted.

No hedging Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to rights (vested or unvested) or restricted shares. This is a Corporations Act requirement.

Change of control If a de-listing is imminent, vesting will automatically occur at the level derived from application of the following formula:

$$\begin{array}{l} \text{Number of performance rights} \\ \text{in tranche to vest} \end{array} = \begin{array}{l} \text{Unvested performance rights} \\ \text{in tranche} \end{array} \times \begin{array}{l} \text{\% of first year of measurement} \\ \text{period elapsed} \end{array}$$

Additional vesting will occur to the extent, if any, determined by the Board and any remaining unvested rights will lapse; and

Restricted shares will cease to be subject to specified disposal restrictions, and any CHESS holding locks will be removed if applicable, unless otherwise determined by the Board.

In other cases of a change of control the rights will remain on foot, subject to possible modification of vesting conditions, for vesting at the end of the measurement period.

Previous LTI plan (until 2021)

PPK previously had an LTI plan in place up until 30 June 2021 which is still managed as a Trust on behalf of the remaining participants, being one previous director, and one previous senior manager of PPK. The vested Performance Rights can be converted to PPK shares on a one-for-one basis. The previous LTI plan was approved by shareholders at the Annual General Meeting on 27 November 2018.

As at 30 June 2025, the Trust held 90,000 shares in PPK to satisfy the 90,000 relevant vested but unexercised performance rights.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and long-term incentive payments are dependent on meeting key strategic and operational targets, including achieving sustainable and profitable growth at the portfolio company level. Refer to the section 'Link to Group performance' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the November 2024 AGM, 96.86% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

LIS was deconsolidated from the PPK Group effective 31 October 2024. Accordingly, remuneration disclosures relating to LIS are presented only for the period up to the date of deconsolidation.

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PPK Group Limited
Directors' report
For the year ended 30 June 2025

2025	Short-term benefits				Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive directors:</i>							
Anne-Marie Birkill	100,000	-	-	-	-	-	100,000
Rick Francis ⁽¹⁾	38,117	-	-	4,383	-	-	42,500
Robin Levison ⁽²⁾⁽⁵⁾	23,333	-	-	-	-	-	23,333
<i>Executive directors:</i>							
Glenn Molloy ⁽⁴⁾	192,500	-	-	-	-	20,000	212,500
Marc Fenton ⁽³⁾	372,500	116,800	-	30,000	-	133,758	653,058
<i>Other Key Management Personnel:</i>							
Sarah Price	292,500	83,850	-	30,000	-	128,607	534,957
	<u>1,018,950</u>	<u>200,650</u>	<u>-</u>	<u>64,383</u>	<u>-</u>	<u>282,365</u>	<u>1,566,348</u>

⁽¹⁾ Represents remuneration from 2 December 2024 to 30 June 2025.

⁽²⁾ Represents remuneration from 1 July 2024 to 31 August 2024.

⁽³⁾ Mr Fenton's STI represents the final agreed STI bonus payable that was agreed as part of his termination agreement. As part of his termination agreement, Mr Fenton agreed to forfeit a portion of his FY25 performance rights for which the accounting expense does not reverse. The value of his retained rights are \$35,784.

⁽⁴⁾ The share-based payment for Mr Molloy represents rights granted in lieu of Director services performed for WGL as a Group KMP.

⁽⁵⁾ Includes remuneration paid by LIS up until deconsolidation.

2024	Short-term benefits				Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive directors:</i>							
Anne-Marie Birkill	100,000	-	-	-	-	-	100,000
Anthony John McDonald ⁽¹⁾	47,666	-	-	-	-	7,297	54,963
Robin Levison	241,666	-	-	27,500	-	10,251	279,417
<i>Executive directors:</i>							
Glenn Molloy ⁽²⁾	465,000	-	-	-	-	-	465,000
<i>Other Key Management Personnel:</i>							
Marc Fenton ⁽³⁾	372,500	126,000	-	27,500	-	159,953	685,953
Sarah Price ⁽⁴⁾	292,622	75,000	-	27,500	-	127,962	523,084
	<u>1,519,454</u>	<u>201,000</u>	<u>-</u>	<u>82,500</u>	<u>-</u>	<u>305,463</u>	<u>2,108,417</u>

⁽¹⁾ Represents remuneration from 1 July 2023 to 23 November 2023

⁽²⁾ Received \$100,000 for discretionary effort in relation to a potential transaction

⁽³⁾ Appointed CEO (PPK) 1 July 2023 and Non-Executive director (LIS) 1 February 2024

⁽⁴⁾ Remuneration from 23 May 2023 to 30 June 2024. Ms Price's STI in relation to FY24 was subsequently agreed to be satisfied via the issue of vested rights valued at \$90,161 in lieu of cash.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Performance income as a proportion of total remuneration

For work undertaken in FY24, Ms Price received an STI of \$90,161, which was satisfied in September 2024 in the form of vested rights in PPK, rather than cash, reinforcing long-term alignment with shareholder returns. For Mr Fenton, the post-tax component for work undertaken in FY24 (\$116,800 pre-tax), was utilised to acquire shares in LIS directly from PPK via an off-market transaction, reflecting a personal commitment in the Group's energy storage strategy and contributing to internal liquidity management.

For work undertaken in FY23, Mr Fenton received an STI award of \$126,000 and Ms Price an STI award of \$75,000, both satisfied via cash in FY24. The KPIs against which Mr Fenton and Ms Price were assessed were as follows:

- finance performance reporting across PPK Group and subsidiaries, including monthly cashflow reporting and business plans linked to budgets;
- portfolio optimisation, including mining divestment, and Nanomaterial Business Development; and
- continuous improvement delivery across cyber security, enabling productivity software tools and ERP.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive directors:</i>						
Anne-Marie Birkill	100%	100%	-	-	-	-
Anthony John McDonald	-	100%	-	-	-	-
Robin Levison	100%	100%	-	-	-	-
Rick Francis	100%	-	-	-	-	-
<i>Executive directors:</i>						
Glenn Molloy	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Marc Fenton	73%	58%	21%	18%	6%	24%
Sarah Price	62%	61%	38%	15%	-	24%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Glenn Molloy
Title:	Executive director
Agreement commenced:	1 July 2019
Term of agreement:	No fixed term
Details:	Base salary for the year ended 30 June 2025 is capped at no more than \$240,000 per annum including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. The agreement may be terminated at any time by PPK Group Limited giving not less than 12 months written notice or by Glenn Molloy giving not less than 6 months written notice.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Name: Marc Fenton
Title: Chief Executive Officer and Managing Director
Agreement commenced: 12 January 2022
Term of agreement: No fixed term
Details: Mr Fenton provided notice of his resignation on 6 June 2025 and has a six months' notice period.

Base salary for the year ended 30 June 2025 of \$402,500 including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. He also participated in the STI, where he could receive between zero and a maximum bonus of 40% of his total base salary for meeting key performance indicators set by the directors, and the LTI. Performance rights representing 40% of the total base salary were granted in FY25. STI and LTI awards are at the final discretion of the Board. The agreement may be terminated at any time by either party giving 6 months written notice.

Name: Sarah Price
Title: Chief Financial Officer
Agreement commenced: 28 March 2022
Term of agreement: No fixed term
Details: Base salary for the year ended 30 June 2025 of \$322,500 including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. She also participated in the STI, where she could receive between zero and a maximum bonus of 40% of her total base salary for meeting key performance indicators set by the directors, and the LTI. Performance rights representing 40% of the total base salary were granted in FY25. STI and LTI awards are at the final discretion of the Board. The agreement may be terminated at any time by either party giving 6 months written notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Resignation of Mr Fenton

On 6 June 2025, Mr Fenton provided notice of his resignation. As noted above, Mr Fenton has a six months' notice period. Mr Fenton continues to work in the business and the transfer of his duties is underway.

The Board considered the unvested performance rights held by Mr Fenton and formed a provisional view on those rights, dependent on Mr Fenton's ongoing performance during his notice period. The Board also considered the terms of the Company's short-term incentive policy (in particular the 'good leaver' provisions) and again formed a provisional view of Mr Fenton's performance during FY25.

The Board will finalise its determination on Mr Fenton's remuneration outcomes in the period shortly before his departure.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Date	Shares	Issue price
Marc Fenton ⁽¹⁾	23 September 2024	5,599	\$0.36
Sarah Price ⁽²⁾	20 September 2024	235,354	\$0.39

(1) This relates to the FY22 LTIP which has vested and converted to PPK shares.

(2) This relates to the FY22 LTIP which has vested and converted to 2,800 PPK shares. In addition, the FY24 STI awards paid in FY25 were structured to support both strategic alignment and prudent capital management. The STI was received by way of 232,554 PPK shares, rather than cash, reinforcing long-term alignment with shareholder returns.

Options

There were no options over ordinary shares issued to or vested by directors and other key management personnel as part of compensation that were outstanding as at 30 June 2025. No options have been granted over unissued shares or interests in the Company or its controlled entities to any of the directors or the five most highly remunerated officers of the entity as part of their remuneration subsequent to 30 June 2025.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Performance rights and grants

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted net of forfeitures	Grant date	Performance condition period end date and exercisable date	Expiry date	Share price hurdle for vesting	Average Fair value per right at grant date
Marc Fenton	151,627	18/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.275
Sarah Price	490,868	18/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.275

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Number of rights granted during the year 2025	Number of rights granted during the year 2024	Number of rights vested during the year 2025	Number of rights vested during the year 2024
Marc Fenton	151,627	218,668	5,599	-
Sarah Price	490,868	174,134	2,800	-
Sarah Price - special grant ¹	232,554	-	232,554	-

(1) Ms Price's FY24 STI was received in the form of vested rights in PPK, rather than cash, which were exercised into shares during FY25, reinforcing long-term alignment with shareholder returns. There were no vesting conditions to the rights.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

2025	Balance at the start of the year #	Shares transferred from PPK LTIP/STI #	Additions #	Disposals/ other #	Balance at the end of the year #
<i>Ordinary shares</i>					
<i>Non-Executive directors:</i>					
Anne-Marie Birkill	17,400	-	-	-	17,400
Rick Francis	-	-	-	-	-
Robin Levison ⁽¹⁾	4,050,153	-	-	(4,050,153)	-
<i>Executive directors:</i>					
Glenn Molloy	22,237,457	-	-	-	22,237,457
Marc Fenton	-	5,599	-	-	5,599
<i>Other Key Management Personnel:</i>					
Sarah Price	-	235,354	-	-	235,354
	26,305,010	240,953	-	(4,050,153)	22,495,810

(1) The adjustment in the number of shares held is due to Mr Levison ceasing to be a KMP on retirement on 31 August 2024.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

Long-term Incentive Plan

2025	Date of Rights Vesting Assessment	Balance at the start of the year		Vested and exercised #	Expired/forfeited/other #	Balance at the end of the year	
		Unvested #	Granted #			Unvested (1) #	Unvested (1) #
<i>Executive directors:</i>							
Marc Fenton							
	- FY22 Performance Rights (2)	30/06/2024	6,221	-	(5,599)	(622)	-
	- FY23 Performance Rights (6)	30/06/2025	112,500	-	-	(45,000)	67,500
	- FY24 Performance Rights (6)	30/06/2026	217,668	-	-	(62,500)	155,168
	- FY25 Performance Rights (6)	30/06/2027	-	612,633	-	(461,006)	151,627
<i>Other Key Management Personnel:</i>							
Sarah Price							
	- FY22 Performance Rights (2)	30/06/2024	3,111	-	(2,800)	(311)	-
	- FY23 Performance Rights (3)	30/06/2025	57,619	-	-	-	57,619
	- FY24 Performance Rights (4)	30/06/2026	174,134	-	-	-	174,134
	- FY25 Performance Rights (5)	30/06/2027	-	490,868	-	-	490,868
			<u>571,253</u>	<u>1,103,501</u>	<u>(8,399)</u>	<u>(569,439)</u>	<u>1,096,916</u>

(1) The maximum value of the Performance Rights yet to vest has been determined as the amount of the grant date fair value of the Performance Rights that is yet to be expensed which was calculated using the number of Performance Rights that were granted (\$859,839).

(2) The FY22 performance rights were granted in February 2022, following the November 2021 AGM. The vesting conditions were comprised of strategic goals (40%), operational goals (40%) and ESG goals (20%). The Remuneration Committee assessed these as having been met at a 90% level.

(3) The FY23 performance rights were granted in September 2022. The vesting conditions were comprised of strategic goals (30%), operational goals (35%), ESG goals (10%) and aTSR (25%). The FY23 performance rights have not been assessed for vesting.

(4) The FY24 performance rights were granted in September 2023. The vesting conditions were comprised of strategic goals (30%), operational goals (35%), ESG goals (10%) and aTSR (25%).

(5) The FY25 performance rights were granted in December 2024, following the November 2024 AGM. The vesting conditions were comprised of strategic goals (30%), operational goals (35%), ESG goals (10%) and aTSR (25%).

(6) The FY23, FY24 and FY25 performance rights held by Mr Fenton were assessed by the Board following the announcement of his resignation notice on 6 June 2025. Mr Fenton's remaining rights will be awarded at the end of his notice period in November 2025, and will vest subject to him continuing to be assessed as good leaver and satisfaction of the attached future performance conditions measured beyond the service period.

Other transactions with key management personnel and their related parties

Li-S Energy Limited directors

Robin Levison participated in the Li-S Energy Non-Executive director (NED) Equity Plan. Robin sacrificed his director fees of \$80,000 per annum over a three-year period and was granted 160,000 service rights per year over a three-year period. The service rights were issued as at 1 May 2021 and vested in three equal tranches on 30 April in 2022, 2023 and 2024. Each consecutive tranche commenced annually on the vesting date of the prior tranche. The NED Equity Plan expired during FY24 with the directors reverting to cash payments.

The number of service rights were calculated by dividing the amount of sacrificed fees by the share price of \$0.50 per share being the price at which Shares were issued in the April 2021 capital raise. The fair value of these service rights at the time that they were granted were independently valued at \$0.50 each. There is no amount payable other than the sacrificed fees for the service rights.

Each service right is an entitlement, upon exercise, to an ordinary fully paid Share in Li-S Energy Limited. Service rights may not be disposed of at any time except by force of law such as on death and Service Rights may be exercised at any time once they have vested. Each service right has a term ending 15 years after the grant date. If not exercised before the end of their term the service rights will lapse. If a NED ceased to hold the office of a NED during a tranche then Service Rights for that tranche will vest in proportion to the time elapsed as served in the tranche. All subsequent tranches would lapse.

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PPK Group Limited
Directors' report
For the year ended 30 June 2025

A NED must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Service Rights.

If the Board forms the view that a NED has committed an act of fraud, defalcation or gross misconduct in relation to the Company then all unexercised Service Rights will be forfeited.

The Remuneration to LIS directors is only included up to 31 October 2024, the date of deconsolidation.

Li-S Energy Limited

As at the end of the financial year, the number of ordinary shares in LIS held by directors and KMP during the 2025 reporting period is set out below:

	Balance at the start of the year #	Shares acquired #	Shares sold #	Other adjustments (2) #	Balance at the end of the year #
2025					
<i>Non-Executive directors of LIS</i>					
Robin Levison ⁽¹⁾	2,540,549	-	-	(2,540,549)	-
Marc Fenton	17,540	33,815	-	(51,355)	-
<i>Other Key Management Personnel of LIS:</i>					
Glenn Molloy	10,325,778	-	(1,000,000)	(9,325,778)	-
Sarah Price	40,500	34,600	-	(75,100)	-
	<u>12,924,367</u>	<u>68,415</u>	<u>(1,000,000)</u>	<u>(11,992,782)</u>	<u>-</u>

(1) The adjustment in the number of shares held is due to Mr Levison ceasing to be a KMP on retirement on 31 August 2024.

(2) Except for Mr Levison who retired on 31 August 2024, the other adjustments show shares held as at 31 October 2024 when Li-S Energy Limited ceased to be a controlled entity of PPK Group Limited.

As at the end of the financial year, the number of service rights in LIS held by directors and KMP during the 2025 reporting period is set out below:

	Balance at the start of the year			Balance at the end of the year
	Vested #	Granted #	Vested #	Ceased to be a KMP ⁽¹⁾ #
2025				
<i>Non-Executive directors:</i>				
Robin Levison	480,000	-	-	(480,000)
	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>(480,000)</u>

(1) Held as at 31 August 2024 when Mr Levison ceased to be a KMP on retirement from PPK Group Limited.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

White Graphene Limited

As White Graphene Limited is a controlled subsidiary of PPK Group Limited, the remuneration arrangements for its key personnel are consolidated and disclosed within this Remuneration Report in accordance with applicable reporting standards and governance practices.

As at the end of the financial year, the number of ordinary shares in WGL held by directors and KMP during the 2025 reporting period is set out below:

	Balance at the start of the year #	Shares acquired #	Shares sold #	Ceased to be a KMP #	Balance at the end of the year #
2025					
<i>Executive directors of WGL:</i>					
Robin Levison	750,000	-	-	(750,000)	-
Glenn Molloy	2,500,000	-	-	-	2,500,000
<i>Other Key Management Personnel of WGL:</i>					
Marc Fenton	40,000	-	-	-	40,000
Sarah Price	50,000	-	-	-	50,000
	<u>3,340,000</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>	<u>2,590,000</u>

As at the end of the financial year, the number of service rights in WGL held by directors and KMP during the 2025 reporting period is set out below:

	Balance at the start of the year		Granted #	Balance at the end of the year	
	Vested #	Unvested #		Expired/ forfeited / other #	Unvested #
2025					
<i>Executive directors:</i>					
Glen Molloy	-	-	40,000	-	40,000
	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>

Loans from director-related entities

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPKIH) and PowerPlus Energy Pty Ltd (PPE) entered into a secured convertible note deed under which PPE will issue up to \$2,000,000 in notes. PPK subscribed for up to \$1,000,000 in notes with the remaining \$1,000,000 subscribed for by two entities related to Glenn Molloy (PPK Executive Director). As at June 2025, the Glenn Molloy related entities had subscribed for \$800,000 of the notes. The notes are secured and include a redemption option in favour of PPE, with an early redemption premium applicable if the notes are redeemed before the maturity date. The notes bear interest at 10% per annum, have a maturity date of 16 August 2027, and include a conversion option allowing the notes to be converted into equity in PPE at a predetermined fixed conversion price.

In addition, on 6 June 2025, a Glenn Molloy related entity extended a loan of \$200,000 to the newly incorporated subsidiary of PPE, PPE Whispr. The interest free loan was to assist with short-term working capital requirements and has been repaid in July 2025.

PPK Group Limited
Directors' report
For the year ended 30 June 2025

[Link to Group performance](#)

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Sales revenue	24,259	28,186	6,352	1,647	-
Loss after income tax (to the owners of PPK)	(21,553)	(10,743)	(7,815)	(2,564)	(5,479)

The factors that are considered to affect total shareholders return are summarised below:

Share price at financial year end (\$)	0.325	0.38	1.38	2.04	15.95
Total dividends declared (cents per share)	5.71	-	-	2.81	3.5
Basic and diluted earnings per share (cents per share)	(23.8)	(12.1)	(8.8)	(2.9)	(6.4)
Shareholder return (annual)	1%	(72%)	(32%)	(86%)	414%

The above table shows the annual returns to shareholders calculated to include the difference in percentage terms between the dividend yield for the year (based on the average share price during the period) and changes in the price at which shares in the Company are traded between the beginning and the end of the relevant financial year.

For completeness, Mr Fenton and Ms Price undertook a voluntary freeze on salary increases in FY25 to assist the Company with prudent cash management.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of PPK Group Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of PPK Group Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Shares under performance rights

There are 3,339,217 performance rights on issue at the date of this report. The employee share trusts operated by the Company currently hold 468,344 shares to meet this demand.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

See the Remuneration Report above for further information.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except to the extent prohibited by the Corporations Act.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings involving the Company

The Company continues to defend a claim in the Supreme Court of New South Wales in relation to a dispute pertaining to the vesting conditions of a business acquired in 2014 with a vendor employee for the issue of a second tranche of \$500,000 of shares plus interest and costs.

As previously communicated, the Supreme Court of New South Wales issued its decision on relief and costs on 14 June 2024. The Company has satisfied the ordered award of 1,136,011 shares valued at \$500,000. The plaintiff elected not to appeal the decision on relief but sought leave to appeal the decision on costs. This application for leave to appeal was unsuccessful and the Company now expects to proceed with the relevant cost assessment processes.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Anne-Marie Birkill
Non-Executive Chair

29 August 2025
Brisbane



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of PPK Group Limited

As lead auditor for the audit of the financial report of PPK Group Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PPK Group Limited and the entities it controlled during the financial year.

Ernst & Young

Madhu Nair
Partner
29 August 2025

PPK Group Limited
Environmental, social and governance (ESG) report
For the year ended 30 June 2025

PPK is pleased to set out its fourth ESG report, building on the work achieved last financial year. PPK is committed to building a sustainable future that encompasses environmental, social, and governance (ESG) considerations.

We continue to monitor the changing ESG reporting landscape for alignment with future reporting milestones for group 2 or 3 entities.

Our Investment Portfolio and ESG

PPK's investment portfolio aligns with the United Nations' Sustainable Development Goals 7, 9, and 11 - from clean energy technologies and renewable energy to safety and community well-being.



Environmental

PPK Group recognises the importance of minimising environmental impact across its operations and investments. While our corporate activities are relatively low-impact, we remain mindful of environmental considerations within the scope of our influence.

Operational Footprint

PPK's head office is located in a leased tenancy in the Brisbane CBD. As a non-manufacturing site, its direct environmental footprint is limited to electricity and water use, general waste, and day-to-day consumables. We do not control the building infrastructure or energy sourcing.

Several of our portfolio companies operate within shared facilities, such as the Deakin Waurin Ponds campus in Victoria, which include access to solar energy infrastructure managed by third parties. Where applicable, this contributes to a portion of electricity needs being met through renewable sources.

Resource Use and Waste

Across our head office and shared tenancy spaces, we support environmentally conscious practices, including:

- minimising paper usage through digital systems;
- recycling where facilities are available; and
- reducing reliance on single-use materials.

Water usage remains low and limited to office-based operations.

Preparing for Future Reporting

PPK is not within the group 1 cohort under the recent amendments to the Corporations Act nor is it required to report under the *National Greenhouse and Energy Reporting Act 2007 (Cth)*. We remain attentive to the evolving regulatory landscape.

To support future readiness and identify practical opportunities for improvement, we are planning to conduct an internal ESG gap analysis in the future. This will help us better understand where we stand in relation to anticipated disclosure requirements and explore ways to enhance our environmental performance where feasible.

Social

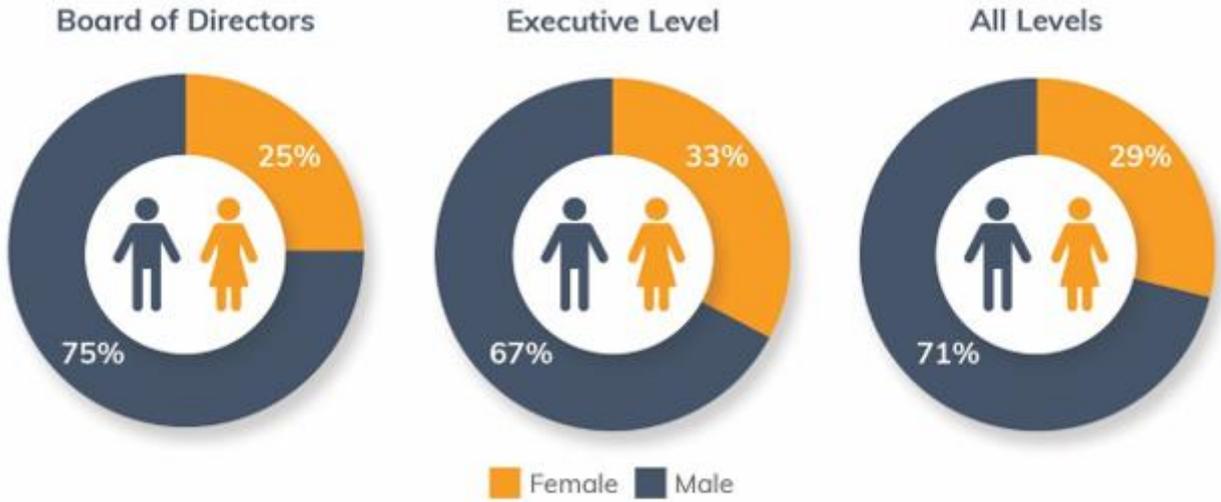
PPK is committed to building a diverse and inclusive workplace where individuals from all backgrounds, perspectives and experiences can thrive, which is essential to our success.

Diversity, Equity, and Inclusion

As at 30 June 2025, our team represented a mix of backgrounds, experiences, and cultures, including individuals from five different nationalities.

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We remain committed to fostering an inclusive culture, where individuals feel valued, respected, and empowered to contribute their best.



Supporting and Retaining Talent

This year, we undertook a significant review of our employee value proposition and introduced a number of new initiatives to attract, support, and retain high-performing talent across PPK and its subsidiaries. These include:

- a paid parental leave policy designed to support both primary and secondary caregivers;
- expanded salary sacrifice options for novated vehicle leases and additional superannuation contributions, and
- a purchased leave scheme, enabling staff to take additional time off.

We also implemented a new HR and payroll platform, enhancing the employee experience through greater self-service functionality, streamlined onboarding, and improved access to workplace information. The platform is Australian-developed and includes integrated access to an Employee Assistance Program (EAP), which offers confidential support services such as counselling, financial wellbeing advice, and mental health resources.

Employee Development and Flexibility

PPK continues to support flexible work arrangements and cross-company collaboration, enabling employees to broaden their experience by working on projects across the Group. These opportunities not only support career development but also foster a deeper understanding of the portfolio companies.

A continued focus on cyber

The cyber threat landscape continues to evolve. We protect our organisation through robust cybersecurity measures and ongoing improvement.

This year PPK:

- continued enhancement of AI-powered email security tools, including upgraded modules to improve threat detection and prevention;
- deployed a new platform for comprehensive endpoint protection, detection, and response. Leveraging AI and machine learning, this platform defends against malware, ransomware, and advanced persistent threats while simplifying security across endpoints, cloud, and identity through a centralised, autonomous system;
- strengthened relationships with key vendors and industry peers by attending partner and industry events, enabling PPK to stay up to date with emerging cyber threats, trends, and shared insights;
- delivered regular cybersecurity updates to the Board, incorporating both PPK-specific examples and broader industry context;
- maintained ongoing internal communication, sharing cybersecurity tips and examples with staff; and
- conducted cyber assurance testing to assess and evaluate PPK's current technology landscape. This included external and internal testing, as well as dedicated Microsoft 365 security assessments to identify risks, misconfigurations, and potential vulnerabilities. The testing evaluated user access, data protection, and threat detection capabilities to ensure operational security and data integrity.

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PPK Group Limited
Environmental, social and governance (ESG) report
For the year ended 30 June 2025

Next year PPK will:

- assess our position within the Essential Eight model;
- implement enhanced Data Loss Prevention (DLP) measures, alongside the introduction of Advanced UEBA (User and Entity Behaviour Analytics). This approach uses machine learning to detect anomalous activity, focusing on malicious insiders and compromised accounts by establishing and monitoring behavioural baselines; and
- continue to review and validate cyber playbooks, ensuring PPK's incident response capabilities remain current, tested, and effective.

Governance

The Company has structured its approach to corporate governance around the principles of ensuring effective contributions by the Board and its sub-committees that add value.

Recognition of the complexities of the group structure

The nature of the Company's operations and investments necessarily leads to complex governance arrangements, including common directors, conflicts and related party transactions. The directors and executives have long been conscious of this, and a high degree of care has always been taken to identify and manage such matters correctly. The deconsolidation of LIS, the disposal of AMAG and the merger of WGL and BNNT, when viewed collectively, have had the effect of lowering the occurrence of such conflicts on a day to day basis.

The Company continues to refresh its stance on such matters, which has included ensuring separate legal representation is provided on intra-group arrangements and where required seeking external legal advice on the terms of those arrangements.

The Company Secretariat has worked with the Board to finalise a comprehensive register of interests. These are considered by the Board at each Board meeting.

Refresh of board composition

During FY25 there were a number of board changes. The Board appointed Ms Anne-Marie Birkill as Non-Executive Chair, effective 1 July 2024, and Mr Marc Fenton was appointed Managing Director effective 1 July 2024. Mr Robin Levison retired on 31 August 2024.

As a result of an external search with a specialised firm, on 2 December 2024 Mr Rick Francis was appointed as a Non-Executive Independent Director.

Remuneration

PPK Group retains its historical commitment to fair and responsible remuneration practices sufficient to attract, retain and motivate suitably qualified individuals.

The Nomination and Remuneration Committee is empowered under its charter to bring independent judgement to all remuneration decisions, in particular remuneration packages, short-term incentives and long-term incentives. The charter is available on the Company's website.

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PPK Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	2024 \$'000*
Revenue from contracts with customers	5	24,259	28,186
Cost of sales		(17,146)	(20,165)
Gross profit		<u>7,113</u>	<u>8,021</u>
Share of (losses)/profits of associates accounted for using the equity method	15	2,781	1,125
Other income	6	149	1,015
Interest revenue calculated using the effective interest method		364	312
Expenses			
Energy storage segment expenses		(8,281)	(10,475)
Technology segment expenses		(6,996)	(9,339)
Corporate expenses		(5,991)	(2,420)
Impairment of investments in associates	15	(25,659)	-
Finance costs	7	(1,196)	(1,565)
Loss before income tax from continuing operations		<u>(37,716)</u>	<u>(13,326)</u>
Income tax benefit	8	4,708	1,354
Loss after income tax benefit from continuing operations		<u>(33,008)</u>	<u>(11,972)</u>
Discontinued operations:			
Profit/(loss) before tax from discontinued operations	9	10,459	(3,919)
Income tax expense from discontinued operations	9	(3,168)	-
		<u>7,291</u>	<u>(3,919)</u>
Loss after income tax for the year		<u>(25,717)</u>	<u>(15,891)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u><u>(25,717)</u></u>	<u><u>(15,891)</u></u>
Loss for the year is attributable to:			
Non-controlling interest		(4,164)	(5,148)
Owners of PPK Group Limited		<u>(21,553)</u>	<u>(10,743)</u>
		<u><u>(25,717)</u></u>	<u><u>(15,891)</u></u>
		Cents	Cents
Earnings per share for loss from continuing operations			
Basic loss per share	10	(36.4)	(13.5)
Diluted loss per share	10	(36.4)	(13.5)
Earnings per share for loss attributable to the owners of PPK Group Limited			
Basic loss per share	10	(23.8)	(12.1)
Diluted loss per share	10	(23.8)	(12.1)

* The comparative information has been re-presented due to a discontinued operation. Refer to note 9.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

PPK Group Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	11	5,058	28,348
Trade and other receivables	12	8,912	4,555
Inventories	13	7,485	7,518
Financial assets at fair value through profit or loss	14	-	2,000
Other assets		135	134
Total current assets		<u>21,590</u>	<u>42,555</u>
Non-current assets			
Financial assets at fair value through profit or loss	14	172	2,795
Investments accounted for using the equity method	15	34,955	9,236
Property, plant and equipment	16	3,457	13,032
Right-of-use assets	17	3,696	6,554
Intangible assets	18	5,657	44,770
Deferred tax assets	8	3,417	3,197
Other assets		660	707
Total non-current assets		<u>52,014</u>	<u>80,291</u>
Total assets		<u>73,604</u>	<u>122,846</u>
Liabilities			
Current liabilities			
Trade and other payables	19	11,823	9,771
Contract liabilities	20	66	2,001
Borrowings	21	5,206	2,834
Lease liabilities	37	907	1,110
Income tax payable		67	294
Employee benefits		784	852
Provisions	22	3,542	3,322
Other current liabilities		1,800	1,647
Total current liabilities		<u>24,195</u>	<u>21,831</u>
Non-current liabilities			
Borrowings	21	555	604
Lease liabilities	37	3,217	5,862
Deferred tax liabilities	8	446	478
Provisions	22	101	152
Total non-current liabilities		<u>4,319</u>	<u>7,096</u>
Total liabilities		<u>28,514</u>	<u>28,927</u>
Net assets		<u>45,090</u>	<u>93,919</u>
Equity			
Issued capital	23	62,598	62,268
Reserves	24	36,607	43,558
Accumulated losses		(57,273)	(38,083)
Equity attributable to the owners of PPK Group Limited		41,932	67,743
Non-controlling interest		3,158	26,176
Total equity		<u>45,090</u>	<u>93,919</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

PPK Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total Attributable to Owners of PPK Group Ltd \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	62,046	40,875	(27,340)	75,581	30,129	105,710
Loss after income tax benefit for the year	-	-	(10,743)	(10,743)	(5,148)	(15,891)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(10,743)	(10,743)	(5,148)	(15,891)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of performance rights	-	599	-	599	897	1,496
Issue of share capital in settlement of dispute	500	-	-	500	-	500
Return of capital - share-buyback	(278)	-	-	(278)	-	(278)
Change in non-controlling interest held by a controlled entity, net of costs	-	2,084	-	2,084	298	2,382
Balance at 30 June 2024	<u>62,268</u>	<u>43,558</u>	<u>(38,083)</u>	<u>67,743</u>	<u>26,176</u>	<u>93,919</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total Attributable to Owners of PPK Group Ltd \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2024	62,268	43,558	(38,083)	67,743	26,176	93,919
Loss after income tax benefit for the year	-	-	(21,553)	(21,553)	(4,164)	(25,717)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(21,553)	(21,553)	(4,164)	(25,717)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital for short-term incentive plan	330	-	-	330	-	330
Issue of performance rights	-	365	-	365	203	568
Loss of control in subsidiary	-	(8,217)	9,288	1,071	(20,807)	(19,736)
Change in non-controlling interest held by a controlled entity, net of costs	-	364	(1,736)	(1,372)	1,750	378
Recognition of conversion right of convertible notes held in subsidiary	-	537	-	537	-	537
Dividends paid (note 25)	-	-	(5,189)	(5,189)	-	(5,189)
Balance at 30 June 2025	<u>62,598</u>	<u>36,607</u>	<u>(57,273)</u>	<u>41,932</u>	<u>3,158</u>	<u>45,090</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

PPK Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		24,616	31,659
Payments to suppliers and employees (inclusive of GST)		(31,553)	(42,978)
Government grants received		86	-
Interest received		342	1,406
Interest and other finance costs paid		(387)	(490)
Income taxes (paid)/refunded		(7)	493
Net cash used in operating activities	37	(6,903)	(9,910)
Cash flows from investing activities			
Payments for investments		-	(2,440)
Payments for property, plant and equipment		(1,581)	(6,202)
Payments for intangible assets		(912)	(2,377)
Payments for loans advanced		-	(700)
Proceeds from sale of investment in subsidiaries		2,672	-
Proceeds from sale of investment in associates		-	2,750
Dividends received		1,482	-
Proceeds from sale of financial assets at FVTPL		-	308
Proceeds from government grants for capital acquisitions		868	3,592
Proceeds from loans repaid		-	2,535
Net cash reversed on deconsolidation of subsidiary*	9	(19,337)	-
Net cash used in investing activities		(16,808)	(2,534)
Cash flows from financing activities			
Proceeds from borrowings		1,000	-
Payments for shares acquired under the minimum holding buy-back		-	(278)
Repayment of lease liabilities		(867)	(914)
Proceeds from capital raisings in controlled entities		-	660
Proceeds from sale of shares in controlled entities		353	1,387
Transaction costs on issue of shares in controlled entities		(65)	(62)
Net cash from financing activities		421	793
Net decrease in cash and cash equivalents		(23,290)	(11,651)
Cash and cash equivalents at the beginning of the financial year		28,348	39,999
Cash and cash equivalents at the end of the financial year	11	5,058	28,348

* Cash attributable to LIS on the date of deconsolidation (31 October 2024).

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 1. General information

The financial statements cover PPK Group Limited as a Group consisting of PPK Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is PPK Group Limited's functional and presentation currency.

PPK Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 13
120 Edward Street
Brisbane QLD 4000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Except for the adoption of the amendments to AASB 101 'Presentation of Financial Statements', the adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

The adoption of these standards did not have a material impact for the Group.

Going concern

As at 30 June 2025, the Group has net current liabilities of \$2,605,000 (30 June 2024: net current assets of \$20,724,000).

On 18 July 2025, CIB paid a dividend of \$2,400,000 to PPK. On 25 August 2025, the term of the loan from Li-S Energy of \$2,000,000 was extended from April 2026 to October 2026.

Note 2. Material accounting policy information (continued)

In addition, forecast operating cash flows and scenarios indicate that cash generation continues to be sufficient to fund operations considering certain current liabilities such as employee entitlements will not be fully settled in the short-term to cause a liquidity shortfall. The Group is also in the process of negotiating the extension of outstanding loans payable to minority shareholders in the Group's subsidiaries due within the next 12 months which the Directors are confident will be extended. Should these extensions not be granted, the Directors are confident that Group is able to implement other measures including reducing variable costs and realisation of investments to manage cash flows.

The directors consider that there are reasonable grounds to believe the Group will be able to pay its debts as and when they are due. As a result, these financial statements are prepared on a going concern basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities at fair value through profit or loss.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PPK Group Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. PPK Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Material accounting policy information (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life or not available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Comparatives

Where applicable, the comparative information has been reclassified to be consistent with the current financial year's presentation.

Comparative information has also been re-presented due to the discontinued operation. Refer to note 9.

Note 2. Material accounting policy information (continued)

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the respective notes.

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Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into 4 operating segments: Energy Storage, Technology (Subsidiaries), Associates and Corporate/Unallocated. These operating segments are based on the internal reports that are reviewed and used by the directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The entities included in the reportable segment information are differentiated by the amount of involvement PPK has with their operations. As either the major shareholder or having responsibilities to commercialise the technologies, PPK maintains an active role in the management of these entities through the appointment of directors and other key management personnel.

PPK deems that it controls the following entities and accounts for them as subsidiary companies for segment reporting:

<u>Subsidiary</u>	<u>Segment</u>
BNNT Technology Pty Ltd	Technology
White Graphene Limited	Technology
PowerPlus Energy Pty Ltd	Energy Storage

On 31 October 2024, PPK deconsolidated Li-S Energy Limited (LIS). As a result, PPK now accounts for its remaining interest in LIS as an associate under the equity method of accounting. For the period 1 July 2024 to 31 October 2024, and for the prior comparative period, the results of LIS are shown in 'Discontinued operations'.

For those entities which PPK does not control the operations of the business and is reliant on the management to operate the business, PPK equity accounts these entities separately and for segment reporting. These include:

- Craig International Ballistics Pty Ltd;
- Advanced Mobility Analytics Group Pty Ltd until 16 October 2024; and
- Li-S Energy Limited – from 1 November 2024.

On 16 October 2024, PPK completed the disposal of its 30% shareholding in Advanced Mobility Analytics Group Pty Ltd (AMAG) through an agreement with Transoft Solutions (International) Inc, a Canadian software company specialising in transport safety systems.

Following the transaction, PPK fully derecognised its investment in AMAG and is no longer reported as part of the Group's equity-accounted entities. A non-cash impairment reflecting the impact of the transaction has been recognised in the year-end accounts and is included in share of associate profit/(loss).

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions consist of management fees and are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

During the year ended 30 June 2025 revenues from contracts with customers of approximately \$15,391,000 (2024: \$12,948,000) were derived from four major customers in the energy storage CGU, each individually representing more than 10% of the Group's total revenue. Customer A contributed approximately \$6,230,000 (2024: \$6,980,000), Customer B contributed approximately \$3,338,000 (2024: \$5,968,000), Customer C contributed approximately \$2,707,000, and Customer D contributed approximately \$3,116,000.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2025	Energy Storage \$'000	Technology \$'000	Associates \$'000	Corporate¹ \$'000	Discontinued operations \$'000	Total \$'000
Revenue						
Revenue from contracts with customers ²	22,990	214	-	1,055	-	24,259
Other income	19	118	-	66	79	282
Foreign exchange gain/(loss) on financial assets at FVTPL	(30)	(2)	-	-	21	(11)
Loss on financial assets at FVTPL	-	-	-	(13)	-	(13)
Gain/(loss) on sale of financial assets at FVTPL	(8)	(242)	-	260	-	10
Finance income	47	37	-	280	416	780
Gain on deconsolidation of subsidiary	-	-	-	-	12,180	12,180
Share of profit of associates	-	-	2,781	-	-	2,781
Total revenue and other income	23,018	125	2,781	1,648	12,696	40,268
Segment expenses include						
Cost of sales	(17,144)	(2)	-	-	-	(17,146)
Administration expenses	(6,923)	(1,434)	-	(5,075)	(1,621)	(15,053)
Share-based payment expense	-	(203)	-	(729)	(51)	(983)
Interest expense	(837)	(19)	-	(340)	(30)	(1,226)
Depreciation and amortisation	(1,358)	(999)	-	(205)	(535)	(3,097)
Impairment expense	-	(4,361)	(25,659)	-	-	(30,020)
Profit/(loss) before income tax benefit⁽³⁾	(3,244)	(6,893)	(22,878)	(4,701)	10,459	(27,257)
Income tax benefit						1,540
Loss after income tax benefit						(25,717)
Assets						
Segment assets	22,332	12,150	36,030	3,092	-	73,604
Total assets						73,604
Liabilities						
Segment liabilities	20,878	7,380	-	256	-	28,514
Total liabilities						28,514

(1) Excludes \$914,000 in management fees charged by PPK to provide shared support services to the subsidiary companies which are eliminated on consolidation.

(2) Excludes \$4,000 of intercompany sales in subsidiary companies which are eliminated on consolidation.

(3) Profit/(loss) before income tax benefit is comprised of both a loss from continuing operations \$37,716,000 and profit from discontinued operations of \$10,459,000.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 4. Operating segments (continued)

Consolidated - 2024	Energy Storage \$'000	Technology \$'000	Associates \$'000	Corporate⁴ \$'000	Discontinued Operations \$'000	Total \$'000
Revenue						
Revenue from contracts with customers ⁵	27,470	6	-	706	4	28,186
Rental income	-	-	-	43	-	43
Foreign exchange gain/(loss) on financial assets at FVTPL	199	(9)	-	(3)	(40)	147
Gain/(loss) on financial assets at FVTPL	-	(13)	-	812	-	799
Gain (loss) on sale of financial assets at FVTPL	-	(14)	-	-	-	(14)
Finance income	14	53	-	255	1,276	1,598
Share of profit of associates	-	-	1,125	-	-	1,125
Total revenue and other income	27,683	23	1,125	1,813	1,240	31,884
Segment expenses include						
Cost of sales	(20,078)	(87)	-	-	-	(20,165)
Administration expenses	(8,278)	(2,357)	-	(7,240)	(3,957)	(21,832)
Share-based payment expense	-	(627)	-	(1,099)	(270)	(1,996)
Costs to defend a dispute associated with a historic business acquisition	-	-	-	(358)	-	(358)
Interest expense	(887)	(94)	-	(293)	(87)	(1,361)
Depreciation and amortisation	(1,397)	(1,011)	-	(164)	(845)	(3,417)
Profit/(loss) before income tax benefit⁽⁶⁾	(2,957)	(4,153)	1,125	(7,341)	(3,919)	(17,245)
Income tax benefit	-	-	-	-	-	1,354
Loss after income tax benefit						(15,891)
Assets						
Segment assets	18,628	47,885	9,315	1,873	45,145	122,846
Total assets						122,846
Liabilities						
Segment liabilities	19,605	9,821	-	(3,156)	2,657	28,927
Total liabilities						28,927

(4) Excludes \$1,194,000 in management fees charged by PPK to provide shared support services to the subsidiary companies which are eliminated on consolidation.

(5) Excludes \$52,860 of intercompany sales in subsidiary companies which are eliminated on consolidation.

(6) Profit/(loss) before income tax benefit is comprised of both a loss from continuing operations \$13,326,000 and loss from discontinued operations of \$3,919,000.

Accounting policy

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue from contracts with customers

	Consolidated	
	2025 \$'000	2024 \$'000
From continuing operations		
Sale of goods	22,912	27,508
Rendering of services	1,347	678
	<u>24,259</u>	<u>28,186</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Geographical regions</i>		
Australia	24,259	28,186
	<u>24,259</u>	<u>28,186</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	22,912	27,508
Services transferred over time	1,347	678
	<u>24,259</u>	<u>28,186</u>

Accounting policy

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method, depending on which method the entity expects to better predict the amount of consideration to which it will be entitled. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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Note 5. Revenue from contracts with customers (continued)

- **Rights of return**
The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.
- **Volume rebates**
Under some customer contracts, batteries are sold with retrospective volume discounts based on aggregate sales over a specific period. Revenue from these sales is recognised based on the price specified in the contract, net of any estimated volume discounts. Accumulated experience is used to estimate and provide for these discounts using the most likely amount method, and revenue is only recognised to the extent that it is probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

Sale of goods

Revenue from the sale of BNNT is recognised at a point in time when they leave the manufacturing plant and control has passed to the buyer. Revenue is measured at the fair value of consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

Revenue from the sale of manufactured batteries, cabinets and accessories is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods to the customer's location.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

Critical accounting judgements, estimates and assumptions

Estimating variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to produce expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 30 June 2025, the amount recognised as refund liabilities for the expected returns and volume rebates was \$682,000 (2024: \$931,000).

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 6. Other income

	Consolidated	
	2025	2024
	\$'000	\$'000
Net foreign exchange (loss)/gain	(32)	187
Gain/(loss) on sale of financial assets at FVTPL	10	(15)
Government grants	130	-
Rental income	54	44
Fair value adjustment of financial assets at FVTPL	(13)	799
	<hr/>	<hr/>
Other income	149	1,015
	<hr/> <hr/>	<hr/> <hr/>

Accounting policies

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Government grants

Income from government grants is recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. When the grant relates to an income item, it is recognised in the profit and loss when the Company will comply with all attached conditions. When the grant relates to an expense item, it is recognised in the profit and loss as other operating income on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate.

Note 7. Expenses

	Consolidated	
	2025	2024
	\$'000	\$'000
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	28	20
Plant and equipment	893	809
Right-of-use assets	977	1,065
	<hr/>	<hr/>
Total depreciation	1,898	1,894
<i>Amortisation</i>		
Energy storage	455	507
Development costs	209	171
	<hr/>	<hr/>
Total amortisation	664	678
	<hr/>	<hr/>
Total depreciation and amortisation	2,562	2,572
	<hr/> <hr/>	<hr/> <hr/>

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 7. Expenses (continued)

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Impairment and write-offs</i>		
Impairment of plant and equipment - Technology	2,461	-
Write-off of intangible assets - Technology	1,900	-
	<hr/>	<hr/>
Total impairment and write-offs	4,361	-
<i>Share-based payments expense</i>		
Share-based payments expense - PPK parent company	729	627
Share-based payments expense - subsidiary	254	1,099
	<hr/>	<hr/>
	983	1,726
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	809	1,093
Interest and finance charges paid/payable on lease liabilities	387	472
	<hr/>	<hr/>
Finance costs expensed	1,196	1,565
<i>Leases</i>		
Short-term lease payments	-	64
	<hr/>	<hr/>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	740	981
	<hr/>	<hr/>
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	7,374	9,299
	<hr/>	<hr/>

Accounting policies

Finance costs

Finance costs are expensed in the period in which they are incurred. Refer to note 21 and note 26 for further details on borrowings and lease liabilities.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Depreciation and amortisation expense

Refer to note 16, note 17, and note 18 for the accounting policies relating to depreciation and amortisation.

Share-based payment expense

Refer to note 36 for the accounting policy relating to share-based payment expense.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 8. Income tax

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Income tax benefit</i>		
Current tax	(553)	(618)
Deferred tax - origination and reversal of temporary differences	(913)	(736)
Adjustment recognised for prior periods	(74)	-
	<u>(1,540)</u>	<u>(1,354)</u>
Aggregate income tax benefit		
Income tax benefit is attributable to:		
Loss from continuing operations	(4,708)	(1,354)
Profit/(loss) from discontinued operations	3,168	-
	<u>(1,540)</u>	<u>(1,354)</u>
Aggregate income tax benefit		
Deferred tax included in income tax benefit comprises:		
(Increase)/decrease in deferred tax assets	(881)	250
Decrease in deferred tax liabilities	(32)	(986)
	<u>(913)</u>	<u>(736)</u>
Deferred tax - origination and reversal of temporary differences	(913)	(736)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(37,716)	(13,326)
Profit/(loss) before income tax expense from discontinued operations	10,459	(3,919)
	<u>(27,257)</u>	<u>(17,245)</u>
Tax at the statutory tax rate of 25% (2024 – 25%)	(6,814)	(4,311)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other (non-assessable income)/non-deductible expenses	(867)	1,331
	<u>(7,681)</u>	<u>(2,980)</u>
Adjustment recognised for prior periods	(74)	-
Current year tax losses not recognised	474	1,162
Other	-	245
Deferred tax assets related to equity transactions	-	(62)
Tax on share of (loss)/profit - associates	(117)	281
Current year temporary differences for which no deferred tax was recognised ⁽¹⁾	5,858	-
	<u>(1,540)</u>	<u>(1,354)</u>
Income tax benefit		

(1) PPK re-measured its remaining 39% interest in LIS to fair value on the date of deconsolidation to \$50.301 million and this required the initial recognition of a deferred tax liability (DTL) of \$12.575 million (net tax effected value of \$37.725 million). PPK has also recognised \$30.900 million of gross carry forward tax losses available to partially offset the tax expense related to the initial recognition of the DTL recognising an associated income tax benefit of \$7.725 million. To 30 June 2025, PPK recognised its share of the losses incurred by the associate, along with an impairment on the calculation of the fair value of the investment in accordance with AASB 13. This resulted in the reversal of deferred tax liabilities recognised of \$5.603 million.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 8. Income tax (continued)

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Amounts charged directly to equity</i>		
Deferred tax assets	-	62
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	7,812	57,572
Potential tax benefit at statutory tax rates	1,953	11,990

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the business continuity test is passed.

The unused tax loss asset is based on the Group's estimated available tax losses in the parent and its tax consolidated group and controlled entities are subject to the finalisation of 2025 statutory income tax returns.

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	11,233	14,393
Leases	3	372
Black hole expenditure deductible in future years	168	639
Other expenses deductible in future years	1,466	1,420
Share-based payments	-	373
Set-off of deferred tax liabilities pursuant to set-off provisions	(7,499)	(2,010)
Deferred tax assets not recognised	(1,954)	(11,990)
Deferred tax asset	<u>3,417</u>	<u>3,197</u>
<i>Movements:</i>		
Opening balance	3,197	3,509
Credited/(charged) to profit or loss	881	(250)
Charged to equity	-	(62)
Deconsolidation of LIS	(661)	-
Closing balance	<u>3,417</u>	<u>3,197</u>

Note 8. Income tax (continued)

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	441	902
Prepayments	41	42
Intangibles	396	527
Leases	95	933
Investments	6,972	(107)
Other	-	191
Set-off of deferred tax liabilities pursuant to set-off provisions	(7,499)	(2,010)
	446	478
Deferred tax liability	446	478
Movements:		
Opening balance	478	1,464
Credited to profit or loss	(32)	(986)
	446	478
Closing balance	446	478

Accounting policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences;
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

PPK Group Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation and entered into a tax funding agreement and a tax sharing agreement for the whole of the financial year, where each subsidiary will compensate PPK Group Limited for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity. PPK Group Limited is the head entity in the tax consolidated group.

Note 8. Income tax (continued)

The separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax expense to wholly owned subsidiaries that form part of the tax consolidated group. PPK Group Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole of the financial year. The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax instalments.

Critical accounting judgements, estimates and assumptions

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 9. Discontinued operations

Deconsolidation of Li-S Energy Limited

On 31 October 2024, the deconsolidation of Li-S Energy Limited (ASX: LIS) was finalised following a series of transactions initiated by PPK Group Limited and undertaken by both PPK and its subsidiaries. These actions included:

- the distribution of a fully franked in-specie dividend of 25,950,000 LIS shares, valued at \$5,189,000, to PPK shareholders;
- the sale of approximately 34,700,000 LIS shares through off-market transactions at fair value for consideration of \$6,958,000;
- a charitable donation of 2,500,000 LIS shares to Deakin University in recognition of its contributions to PPK and its subsidiaries; and
- PPK reduced its influence on LIS reducing the number of appointed directors from two to one to the LIS Board.

As a result, PPK ceased to control LIS and deconsolidated it from its accounts. The remaining 39.24% interest in LIS is now recognised as an investment in associate under the equity method of accounting.

The deconsolidation required PPK to derecognise all the assets, liabilities, and any related goodwill associated with LIS including the non-controlling interest, and to remeasure its remaining interest at fair value as of the deconsolidation date. The resulting difference between these amounts was recognised as a non-cash gain in the consolidated statement of profit or loss.

The consolidated result for LIS for the period up to and including 31 October 2024, including the gain on deconsolidation, and the comparative consolidated statement of profit and loss has been re-presented to show the discontinued operation separately from continuing operations.

The results for LIS from 1 November 2024 are now shown in share of profit/(loss) of associates in the consolidated statement of profit or loss.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 9. Discontinued operations (continued)

(a) Financial performance and cashflow information of discontinued operation

The financial performance and cashflow information presented below are for the four months ended 31 October 2024 (2025 column) and the year ended 30 June 2024.

	Consolidated	
	31 October 2024 \$'000	30 June 2024 \$'000
Summarised statement of profit or loss for discontinued operation		
Revenue	-	4
Total revenue	-	4
Other income	495	1,236
Net foreign exchange gain/(loss) at FVTPL	21	-
Total other income	516	1,236
Employee expenses	(482)	(270)
Administration expenses	(937)	(3,957)
Depreciation and amortisation	(535)	(845)
Finance costs	(30)	(87)
Adjustment for elimination of intercompany transactions	(253)	-
Total expenses	(2,237)	(5,159)
Loss before income tax expense	(1,721)	(3,919)
Gain on deconsolidation of the subsidiary before income tax (note 9(c))	12,180	-
Profit/(loss) before tax from discontinued operations	10,459	(3,919)
Income tax expense from discontinued operations	(3,168)	-
Profit/(loss) after income tax expense from discontinued operations	7,291	(3,919)
Summarised cashflow statement		
Net cash used in operating activities	(2,045)	(2,940)
Net cash used in investing activities	(1,358)	(6,495)
Net cash used in financing activities	(71)	(1,204)
Net decrease in cash and cash equivalents from discontinued operations	(3,474)	(10,639)

The closing balance of LIS cash and cash equivalents at 31 October 2024 was \$19,337,000.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 9. Discontinued operations (continued)

(b) Assets and liabilities of the disposal group

The following assets and liabilities were consolidated in relation to the LIS subsidiary as at 30 June 2024 and immediately prior to the disposal on 31 October 2024:

	Consolidated	Consolidated
	31 October	30 June
	2024	2024
	\$'000	\$'000
Li-S Energy Limited's contribution to net assets		
Cash and cash equivalents	19,337	22,811
Trade and other current assets	2,451	2,219
Property, plant and equipment	6,867	6,243
Right-of-use assets	1,000	1,085
Intangibles	7,384	7,056
Investments	4,632	4,610
Other non-current assets	1,120	1,121
Total assets	42,791	45,145
Trade and other payables	627	746
Provisions	255	249
Other liabilities	1,394	1,662
Total liabilities	2,276	2,657
Net assets	40,515	42,488
Goodwill allocated to disposal group	29,271	-
Total net assets derecognised	69,786	-

(c) Gain on deconsolidation of Li-S Energy Limited

As a result of the loss of control of LIS, the net assets are derecognised, the retained investment in LIS is measured at its fair value and consideration for shares sold or distributed to shareholders is recognised.

The fair value of shares in LIS as at the date of deconsolidation has been determined to be \$0.20 per share.

This has resulted in the following items being de-recognised and recognised during the period:

	Consolidated
	2025
	\$'000
Fair value of equity interest in LIS before tax ¹	50,301
Less: net assets of investment in a controlled subsidiary including goodwill (note 9(b))	(69,786)
Less: non-controlling interests derecognised in relation to LIS	21,518
Less: loan to PPK Group	(2,000)
Add: consideration receivable for sale of shares	6,958
Add: donation of 2.5 million shares transferred to Deakin at nil consideration	-
Add: fair value of in-specie distribution of shares to PPK shareholders	5,189
Gain on deconsolidation	12,180
Income tax expense	(3,168)
Post tax gain on deconsolidation of LIS	9,012

(1) PPK re-measured its remaining 39.24% interest in LIS to fair value on the date of deconsolidation to \$50,301,000 and this required the initial recognition of a deferred tax liability of \$12,575,000 (net tax effected value of \$37,725,000).

Note 9. Discontinued operations (continued)

Accounting policy

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Critical accounting judgements, estimates and assumptions

Determining control of an entity

With respect to the Group's assessment of its control of LIS, management used significant judgement to determine the power the Group has over LIS, the exposure to rights, to variable returns from its involvement with LIS and the ability to use its power over LIS to affect the amount of the returns from LIS to determine whether the Group controls the entity. Management actively assessed the Group's control of LIS throughout the year. In assessing its power over LIS, management considered:

- the direct and indirect interest the Group holds, which at 30 June 2025 was 39.24% (30 June 2024: 49.35%);
- the relationship the Group has with Deakin, the research and development provider and other large shareholder of LIS;
- the composition of the LIS Board;
- the provision of senior executives pursuant to the management services agreements between the companies;
- the make-up of the LIS share register; and
- the relationship the Group has with BNNTTPL, 51.02% owned by the Group and 28.57% owned by Deakin, which is the supplier of BNNT to the entity, and whether there is a long-term supply agreement in place.

Weighing all the factors, the Board considers that the Group ceased to control LIS on 31 October 2024 as a result of its decrease in ownership interest in LIS to 39.24%.

As a result of the loss of control of LIS, PPK was required to recognise its remaining ownership interest in LIS as an Associate at its fair value on the date of deconsolidation of the former subsidiary. This fair value was estimated based at \$0.20 per share of LIS on 31 October 2024. AASB 13 Fair Value Measurement required PPK to value its holding in LIS at the closing market price for LIS shares at the measurement date as a level 1 input per the fair value hierarchy as set out in AASB 13. The Directors consider that if the investment in LIS was traded as a single combined group (i.e. as a strategic holding), a premium above the closing market price would be applied reflecting the significant influence and strategic value associated with the size of the holding.

The Company based its assumptions and estimates on parameters available when the financial report was prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Note 10. Earnings per share

	Consolidated	
	2025	2024
	\$'000	\$'000
Total comprehensive (loss)/income for the year is attributable to:		
Continuing operations	(33,008)	(11,972)
Discontinued operations	7,291	(3,919)
	<u>(25,717)</u>	<u>(15,891)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share ¹	<u>90,623,867</u>	<u>88,980,852</u>

(1) The weighted average number of ordinary shares outstanding used in calculating diluted earnings per share has not been adjusted for the 3,448,452 (2024: 1,541,754) rights outstanding as they are anti-dilutive.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 10. Earnings per share (continued)

	2025	2024
	Cents	Cents
<i>Earnings per share for loss from continuing operations</i>		
Basic loss per share	(36.4)	(13.5)
Diluted loss per share	(36.4)	(13.5)
	Consolidated	
	2025	2024
	\$'000	\$'000
Loss after income tax	(25,717)	(15,891)
Non-controlling interest	4,164	5,148
	<u>(21,553)</u>	<u>(10,743)</u>
	Cents	Cents
<i>Earnings per share for loss attributable to the owners of PPK Group Limited</i>		
Basic loss per share	(23.8)	(12.1)
Diluted loss per share	(23.8)	(12.1)

Note 11. Cash and cash equivalents

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Cash deposits on demand with financial institutions	5,058	16,348
Term deposits	-	12,000
	<u>5,058</u>	<u>28,348</u>

The cash held in term deposits at 30 June 2024 was for a period of 90 days and matured in August 2024. These funds were held on deposit with the Group's corporate banking partner.

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are considered an integral part of the Group's cash management.

Note 12. Trade and other receivables

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Trade receivables	4,817	4,450
Less: Allowance for expected credit losses	(332)	(35)
	4,485	4,415
Other receivables ¹	4,427	-
GST receivable	-	140
	8,912	4,555
	8,912	4,555

(1) Other receivables represent the outstanding consideration receivable of \$3,825,000 from the sale of shares of LIS as at 30 June 2025. The receivables are interest free and repayable no later than 36 months from October 2024. This is expected to be settled within 12 months from 30 June 2025.

Allowance for expected credit losses (ECL)

In 2025, overdue debtors have a carrying amount of \$697,000 with an ECL allowance of \$332,000 (47.6%) (2024: carrying amount of \$119,000 with and ECL allowance of \$35,000 (30.0%)).

Accounting policy

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are non-interest bearing and are generally due for settlement within 30 to 60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 13. Inventories

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Raw materials - at cost	5,348	4,472
Work in progress - at cost	36	20
Finished goods - at cost	2,101	3,026
	7,485	7,518
	7,485	7,518

In the previous and current reporting periods, there were no expenses recognised in cost of sales for adjusting the inventories to net realisable value. During the period \$15,955,000 (2024: \$19,056,000) of inventories were recognised as an expense in cost of sales.

Accounting policy

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 14. Financial assets at fair value through profit or loss

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Australian unlisted units in investment trusts	-	2,000
<i>Non-current assets</i>		
Listed equity investments	172	185
Unlisted equity investments	-	2,610
	<u>172</u>	<u>4,795</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	4,795	2,895
Additions	-	2,000
Disposals due to loss of control of subsidiary	(4,632)	-
Revaluation increment(decrement)	9	(100)
Closing balance	<u>172</u>	<u>4,795</u>

Refer to note 27 for further information on fair value measurement.

Accounting policy

Financial assets are initially measured at fair value, excluding transaction costs, and are subsequently measured at fair value. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 15. Investments accounted for using the equity method

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Craig International Ballistics Pty Ltd	8,811	5,674
AMAG Holdings Australia Pty Ltd ¹	-	3,562
Ballistic Glass Pty Ltd ²	-	-
Li-S Energy Limited	26,144	-
	<u>34,955</u>	<u>9,236</u>

(1) Disposed on 16 October 2024.

(2) Deregistered on 31 July 2024.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 15. Investments accounted for using the equity method (continued)

30 June 2025	AMAG	CIB	LIS ¹
Summarised statement of financial position	\$'000	\$'000	\$'000
Current assets	-	22,771	18,905
Non-current assets	-	12,066	19,243
Current liabilities	-	(9,970)	(2,109)
Non-current liabilities	-	(11,165)	(745)
Equity	-	13,702	35,294
Group's share in equity %	-	39.85%	39.24%
PPK's carrying amount of the investment before goodwill	-	5,461	13,867
Goodwill	-	3,350	34,690
PPK's impairment of investment ²	-	-	(22,413)
PPK's carrying amount of the investment	-	8,811	26,144
Summarised statement of profit/(loss)			
Revenue from contracts with customers	333	48,126	-
Profit/(loss) for the year before income tax	(700)	15,882	(4,440)
Total comprehensive income/(loss) for the year after tax	(477)	11,851	(4,440)
PPK's share of profit/(loss)	(193)	4,718	(1,744)
PPK's impairments of investments ²	(3,246)	-	(22,413)
Dividend received	-	1,581	-

(1) PPK's share of LIS's loss is from 31 October 2024, the date of deconsolidation.

(2) PPK recognised impairments of investments in associates during the year ended 30 June 2025 of \$25,659,000. Details of the impairments are as follows:

AMAG

On 16 October 2024, PPK completed the disposal of its 30% shareholding in AMAG through an agreement with Transoft Solutions (International) Inc, a Canadian software company specialising in transport safety systems who acquired 100% of the shares in AMAG. The transaction involved:

- an initial consideration to all shareholders for the full acquisition of AMAG for \$1.5 million, primarily used to settle AMAG's existing debt; and
- an uncapped performance-based earn-out over four years, tied to revenue thresholds.

PPK has derecognised its investment in AMAG, and AMAG is no longer reported as part of the Group's equity-accounted entities. A non-cash impairment of \$3,246,000 in relation to the investment in AMAG was recognised. The performance earnout is subject to a high level of uncertainty and as such no amount has been recognised in relation to the future potential earn-out in the current financial year.

LIS

At 30 June 2025 PPK was required under the Accounting Standards to impair its 39.24% investment in LIS.

LIS is listed on the ASX and has quoted market prices for the shares that trade day-to-day. There is considered to be an active market for LIS shares. AASB13 Fair Value Measurement has required PPK to value its holding in LIS using the closing market price on 30 June 2025 of 10.5 cents per share as the Level 1 valuation input, less the estimated costs of disposal. As the initial investment in LIS (at deconsolidation on 31 October 2024) was recorded at 20.0 cents per share this has resulted in a non-cash impairment of \$22,413,000 before tax at 30 June 2025.

PPK does not trade LIS shares day-to-day, and does not view its holding in LIS as individual shares, but rather as a strategic holding of approximately 251 million shares, which therefore has incremental strategic value. Alternative valuation bases under the fair value hierarchy (i.e. Level 2 or Level 3) would have yielded different (i.e. higher) results but it was assessed that PPK was unable to use these approaches under the requirements of AASB13.

PPK notes that, post year end, the market price of LIS shares has increased to 16 cents per share (27 August 2025), which would currently reflect a reversal of approximately \$14 million before tax (approximately \$10 million post tax) of the impairment recorded at 30 June 2025. All profit impacts disclosed above are non-cash.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 15. Investments accounted for using the equity method (continued)

30 June 2024

Summarised statement of financial position

	AMAG \$'000	CIB \$'000
Current assets	1,090	7,149
Non-current assets	12,265	20,038
Current liabilities	(1,789)	(4,892)
Non-current liabilities	(1,550)	(7,747)
Equity	<u>10,016</u>	<u>14,548</u>
Group's share in equity %	35.60%	39.85%

PPK's carrying amount of the investment

3,562 5,674

Summarised statement of (loss)/profit

Revenue from contracts with customers	982	22,248
(Loss)/profit for the year before income tax	(3,148)	5,662
Total comprehensive (loss)/income for the year after tax	<u>(2,111)</u>	<u>4,137</u>
PPK's share of (loss)/profit	<u>(719)</u>	<u>1,844</u>
Share buyback proceeds received	<u>-</u>	<u>2,750</u>

Accounting policy

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of PPK Group Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Note 15. Investments accounted for using the equity method (continued)

Critical accounting judgements, estimates and assumptions

Management has used significant judgement to assess whether there were objective indicators of impairment of the Group's investments which might impact the estimated future cashflows from the investments. With the exception of the Group's investment in LIS, there were no impairment indicators for the Group's investment in CIB.

Note 16. Property, plant and equipment

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	711	836
Less: Accumulated depreciation	(57)	(59)
	654	777
Plant and equipment - at cost	9,215	18,851
Less: Government grant	(1,959)	(3,290)
Less: Accumulated depreciation and impairment	(4,453)	(3,306)
	2,803	12,255
	3,457	13,032

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2023	644	9,998	10,642
Additions ¹	177	5,494	5,671
Disposals	-	(2)	(2)
Government grants ²	-	(1,890)	(1,890)
Depreciation expense	(44)	(1,345)	(1,389)
	777	12,255	13,032
Balance at 30 June 2024	777	12,255	13,032
Additions ¹	14	1,110	1,124
Disposals	-	(9)	(9)
Government grants ²	-	(16)	(16)
Disposals due to loss of control of subsidiary	(101)	(6,766)	(6,867)
Impairment of assets - Technology ³	-	(2,461)	(2,461)
Depreciation expense	(36)	(1,310)	(1,346)
	654	2,803	3,457
Balance at 30 June 2025	654	2,803	3,457

(1) Included in additions of plant and equipment is \$nil (2024: \$840,000) of employee costs capitalised for the work undertaken in relation to plant and equipment being built.

(2) Refer to note 32 for additional details relating to government grants received.

(3) The Group has decommissioned certain plant and equipment relating to BNNT Applications CGU and the Group has impaired the carrying amount.

Accounting policy

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 16. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	Straight line over the term of the lease
Plant and equipment	10%-50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Government grants

Income from government grants is recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

Note 17. Right-of-use assets

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Properties	5,732	8,181
Less: Accumulated depreciation	(2,036)	(1,627)
	<u>3,696</u>	<u>6,554</u>

Right-of-use assets are depreciated over the shorter of the useful life of the underlying asset or the lease term. The leases recognised are at commercial rates, and vary in term from 3 years to 6.25 years.

For AASB 16 Lease disclosures refer to:

- note 7 for short-term lease payments and interest on lease liabilities;
 - note 26 for maturity analysis of lease liabilities; and
 - note 37 for lease liabilities and total cash outflow for leases;
- consolidated statement of cash flows for repayment of lease liabilities.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Properties
	\$'000
Balance at 1 July 2023	6,146
Additions	1,757
Depreciation expense	(1,349)
Balance at 30 June 2024	6,554
Modification	(777)
Disposals due to loss of control of subsidiary	(1,000)
Depreciation expense	(1,081)
Balance at 30 June 2025	<u>3,696</u>

Lease modification

BNNTTPL had a three-year lease with Deakin with two three-year options for approximately 986 m2 at Waurm Pond, Geelong commencing 7 March 2022. The lease has been terminated in the current financial year and accordingly, the carrying amount of the right-of-use assets of \$777,000 and its corresponding lease liabilities of \$899,000 had been derecognised.

Note 17. Right-of-use assets (continued)

Accounting policy

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset of between 2 to 9 years, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification or a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 18. Intangible assets

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	3,391	32,662
Intellectual property - at cost	1,760	1,680
Less: Accumulated amortisation	(1,069)	(591)
	691	1,089
Development costs WGL application – at cost	1,146	1,130
Less: Accumulated amortisation	(12)	-
	1,134	1,130
Development costs BNNT application – at cost	3,280	10,609
Less: Accumulated amortisation	(2,839)	(720)
	441	9,889
	5,657	44,770

Note 18. Intangible assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Intellectual property \$'000	Development costs WGL application \$'000	Development costs BNNT application \$'000	Total \$'000
Balance at 1 July 2023	32,662	1,596	1,164	9,195	44,617
Additions ¹	-	-	78	2,351	2,429
Government grants ²	-	-	(112)	(1,085)	(1,197)
Amortisation expense	-	(507)	-	(572)	(1,079)
Balance at 30 June 2024	32,662	1,089	1,130	9,889	44,770
Additions	-	970	16	76	1,062
Government grants ²	-	(299)	-	(43)	(342)
Disposals due to loss of control of subsidiary ³	(29,271)	-	-	(7,384)	(36,655)
Write-off - Technology ⁴	-	-	-	(1,900)	(1,900)
Amortisation expense	-	(1,069)	(12)	(197)	(1,278)
Balance at 30 June 2025	3,391	691	1,134	441	5,657

(1) The intangible assets recognised predominantly relate to the development of the technology projects undertaken in conjunction with Deakin University under the Research Framework Agreements. Included in the total additions are employee costs of \$nil (2024: \$378,000), which were capitalised in relation to the development work undertaken.

(2) Refer to note 32 for additional details relating to the government grants received.

(3) As a result of PPK ceasing to control LIS, the deconsolidation resulted in the derecognition of goodwill related to the BNNT Applications CGU attributed to the LIS disposal group. Remaining goodwill amounts are related to the Energy Storage CGU.

(4) As a result of the termination of a license agreement, the carrying amount of the development costs on the asset has been written off.

Impairment testing

The Group has three cash generating unit groups (CGU) or group of CGUs for the purpose of monitoring Goodwill, being 1) BNNT Applications (a group of CGUs), 2) WGL (CGU) and 3) Energy Storage (CGU). The allocation of goodwill and intangible assets was as follows:

30 June 2025	BNNT Applications CGU \$'000	WGL Applications CGU \$'000	Energy Storage CGU \$'000
Goodwill	-	-	3,391
Intangibles not yet in use	-	-	-
Other intangibles	441	1,134	691
Total intangibles	441	1,134	4,082

Note 18. Intangible assets (continued)

30 June 2024	BNNT Applications CGU \$'000	WGL Applications CGU \$'000	Energy Storage CGU \$'000
Goodwill	29,271	-	3,391
Intangibles not yet in use	7,056	1,130	-
Other intangibles	2,833	-	1,089
Total intangibles	<u>39,160</u>	<u>1,130</u>	<u>4,480</u>

The Group performed its annual impairment testing in June 2025. In calculating the recoverable amount of assets, the fair value less costs of disposal has been estimated using a discounted cash flow (DCF) approach. All valuations were Level 3 fair value assessments. In addition to performing a DCF on forecast future cash flows, management also considered alternative valuation procedures to take into consideration the observable asset price in the marketplace.

The recoverable amount of a CGU or group of CGU's to which goodwill and other indefinite life intangible assets is allocated is determined based on the greater of its value-in-use and its fair value less costs of disposal. Fair value is determined either based on observable market transactions related to the CGU or through a discounted cash flows methodology. A fair value less costs of disposal assessment was conducted by using a DCF methodology requiring Management to estimate future cash flows expected to arise from the CGU's and then applying a discount rate to calculate present value.

Energy Storage CGU

The Group undertook impairment testing of this CGU using a fair value less costs of disposal model, using a DCF requiring Management to estimate the future cash flows expected to arise from the CGU's and then applying a post-tax discount rate of 15.4% (2024: 15.4%) to calculate the present value. Forecasted cashflows are risk-adjusted allowing for estimated changes in the business operating conditions.

The cash flow projections include estimates for five years and a terminal growth rate thereafter of 3.0% (2024: 3.0%). Certain assumptions around revenue and margin as well as capital expenditure are based on current operating conditions adjusted for improvement plans already in place in the business.

WGL Applications CGU

As the CGU's intangible assets became available for use during the period, no impairment assessment was required for this CGU during the period as management have not identified any impairment indicators for the CGU. Management made this assessment using the equity raising price recently achieved by the operations in the subsidiary that contains the CGU which implied a value for the CGU in excess of the recorded assets. No adverse events were noted post this equity raising to indicate a decline in recoverable value to 30 June 2025.

BNNT Applications CGU

This CGU grouping consists of the BNNT CGU, with the Li-S Energy CGU becoming a discontinued operation during the period. As the CGU no longer holds Goodwill or intangible assets not yet available for use, management undertook an impairment indicator assessment, resulting in the impairment of several assets which are no longer expected to be recovered through use. In FY24, the Group undertook impairment testing using a fair value less costs of disposal model, using a DCF model for the purpose of goodwill impairment testing.

Sensitivities

Sensitivity analysis has been completed on the significant assumptions used in the determination of recoverable value as follows:

Energy Storage CGU

There are no reasonably possible movements in key assumptions likely to cause impairment.

Note 18. Intangible assets (continued)

Accounting policy

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 5 to 7 years.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being the expiration of the exclusive global licence over the BNNT manufacturing technology on 31 May 2038.

Critical accounting judgements, estimates and assumptions

Impairment of development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement, after making inquiries from engineers, scientists and other qualified professionals that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and expected period of benefits.

This includes significant investment in the development of new manufacturing processes to fully automate the BNNT continuous production and to produce white graphene. Further investment is incurred in relation to BNNT application projects and white graphene application projects to undertake the research and development of new and existing technologies and products where nanomaterials such as BNNT and white graphene can be used to create and/or improve these technologies and products.

Intangible assets not yet ready for use require an annual impairment test. Management has used significant judgement to determine there was no impairment that occurred after the initial recognition of the intangible asset. Management made this assessment using estimated future cash flows from the investment.

Based on the information available to support the estimates made, management concluded there was no impairment charge of the intangibles at the reporting date (2024: nil).

Note 19. Trade and other payables

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	10,208	7,653
BAS payable	95	-
Sundry payables and accruals	1,520	2,118
	<u>11,823</u>	<u>9,771</u>

Refer to note 26 for further information on financial risk management.

Accounting policy

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 60 days of recognition, except for imported items for which 90 or 120 day payment terms are normally available.

Note 20. Contract liabilities

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Deferred revenue	<u>66</u>	<u>2,001</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	2,001	1,984
Payments received in advance	591	17
Transfer to revenue - included in the opening balance	(2,001)	-
Deconsolidation of LIS	(525)	-
Closing balance	<u>66</u>	<u>2,001</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$66,000 as at 30 June 2025 (\$2,001,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
Within 12 months	<u>66</u>	<u>2,001</u>

Accounting policy

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 21. Borrowings

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Loan from LIS - secured ¹	2,000	-
Other loans - secured ²	3,206	2,834
	5,206	2,834
<i>Non-current liabilities</i>		
Other loans - secured ³	353	-
Other loans - unsecured ⁴	202	604
	555	604
	5,761	3,438

(1) On 19 April 2023, PPK Group entered into a loan facility with Li-S Energy for \$2,000,000, on a fully secured basis at an interest rate of 10%. The loan is repayable in April 2026. The 285,671 CIB shares are pledged as security for this loan facility. On 25 August 2025, the loan repayment date was extended by six months to October 2026.

(2) A loan, acquired as part of the business combination with PowerPlus Energy (PPE), is a fully drawn down loan facility, secured by a General Security Agreement (GSA) over all of the assets of the business. The loan is repayable by 31 December 2025. The interest rate on the loan is the RBA rate plus 4% (currently 8.35%). The loan outstanding at 30 June 2025 is \$3,006,000, repayable to an existing shareholder of PPE at the date of loan maturity. In addition, on 6 June 2025, a Glenn Molloy related entity extended a loan of \$200,000 to the newly incorporated subsidiary of PPE, PPE Whisper. The interest free loan was to assist with short-term working capital requirements and was repaid in July 2025.

(3) On 16 August 2024, a subsidiary entity, PPE, entered into a secured convertible note deed under which two entities associated with Glenn Molloy (Director) subscribed for \$800,000 in notes over the period from 16 August 2024 to 15 November 2024. Interest was payable at 10% and capitalised to the loan balance. The term of the loan is three years from the commencement date, being 16 August 2024. The face value of the convertible note at 30 June 2025 is \$833,000.

The convertible note can be converted by the holder at any time until maturity to a fixed number of ordinary shares at a conversion price of \$5,000 per share. The Group measured the fair value of the liabilities at \$353,000 and the residual value has been recognised as part of equity.

(4) Per the Shareholders Agreements with the BNNT Application projects, shareholders may provide financing in the form of loans to the entities responsible for the application projects. During the prior year, interest on the loans stopped being charged as a review is underway as to the ongoing activities of the companies. The loans are unsecured and payable within three years from the date drawn down. For loans to entities which are subsidiaries, the Group's proportion of the loans are eliminated on consolidation and the loans outstanding are payable to the minority interests shareholders of the subsidiaries.

Refer to note 26 for further information on financial risk management.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 21. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2025	2024
	\$'000	\$'000
Total facilities		
Loan from LIS - secured	2,000	-
Other loans - secured	3,406	2,834
Other loans - unsecured	202	604
	5,608	3,438
Used at the reporting date		
Loan from LIS - secured	2,000	-
Other loans - secured	3,206	2,834
Other loans - unsecured	202	604
	5,408	3,438
Unused at the reporting date		
Loan from LIS - secured	-	-
Other loans - secured	200	-
Other loans - unsecured	-	-
	200	-

The loan from LIS was previously eliminated on consolidation. After deconsolidation on 31 October 2024, the loan was required to be recognised in PPK's consolidated liabilities.

Accounting policy

Loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Compound financial instruments

Compound financial instruments issued by the Group comprise of convertible notes which can be converted by the holder at any time until maturity to a fixed number of ordinary shares.

The liability component of the convertible note is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amount.

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Note 22. Provisions

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Legal claims	1,000	500
Warranties	2,542	2,822
	3,542	3,322
 <i>Non-current liabilities</i>		
Lease make good	101	152
	3,643	3,474

Legal claims

The provision represents a claim for costs in relation to the matter of Flynn & Anor v PPK Mining Equipment Pty Ltd & Anor. The claim is expected to be settled in the next financial year and the outcome of the claim is not expected to exceed the amount provided for, based on independent legal advice.

Warranties

The provision represents the estimated warranty claims in respect of products sold by PPE which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2025	Legal claims \$'000	Warranties \$'000	Lease make good \$'000	Total \$'000
Carrying amount at the start of the year	500	2,822	152	3,474
Additional provisions recognised	500	1,505	29	2,034
Amounts used	-	(1,785)	-	(1,785)
LIS deconsolidation	-	-	(80)	(80)
Carrying amount at the end of the year	1,000	2,542	101	3,643

Accounting policy

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Critical accounting judgements, estimates and assumptions

Warranty provision

In determining the level of provision required for warranties the Group has made judgement in respect of the expected performance of the products, the number of customers who will claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 23. Issued capital

	2025 Shares	Consolidated 2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	90,562,498	89,962,498	62,707	62,377
Treasury Shares	250,000	250,000	(109)	(109)
	<u>90,812,498</u>	<u>90,212,498</u>	<u>62,598</u>	<u>62,268</u>

Movements in Ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	89,289,293		62,155
Shares issued in settlement of business dispute	28 June 2024	1,136,011	\$0.44	500
Share buyback – unmarketable parcels	10 May 2024	<u>(462,806)</u>	\$0.60	<u>(278)</u>
Balance	30 June 2024	89,962,498		62,377
Issue of shares for Short Term and Long Term Incentive Plan	20 September 2024	<u>600,000</u>	\$0.55	<u>330</u>
Balance	30 June 2025	<u>90,562,498</u>		<u>62,707</u>

Movements in Treasury share capital

No treasury shares were bought back, reissued or cancelled during the years ended 30 June 2025 and 30 June 2024.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Treasury shares represent the shares of the parent entity PPK Group Limited that are held in treasury. Own shares are recorded at cost and deducted from equity.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as 'borrowings' (excluding leases) as shown in the statement of financial position less 'cash and cash equivalents' as shown in the statement of financial position. Total capital is calculated as 'total equity' as shown in the statement of financial position (including non-controlling interest) plus net debt.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 23. Issued capital (continued)

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group does not have covenants in relation to its financing arrangements.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

For the 2025 financial year, the Group's policy is to maintain its gearing ratio within the range of 0% - 20% (2024: 0% - 20%). The gearing ratio, excluding lease liabilities, at the reporting date was as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
Current liabilities - borrowings (note 21)	5,206	2,834
Non-current liabilities - borrowings (note 21)	555	604
Total borrowings	<u>5,761</u>	<u>3,438</u>
Current assets - cash and cash equivalents (note 11)	(5,058)	(28,348)
Net debt/(Cash and cash equivalents, net of debt)	703	(24,910)
Total equity	<u>45,090</u>	<u>93,919</u>
Total capital	<u><u>45,793</u></u>	<u><u>69,009</u></u>
Gearing ratio	2%	(36%)
Gearing ratio - target	20%	20%

Note 24. Reserves

	Consolidated	
	2025	2024
	\$'000	\$'000
Share premium reserve	32,329	39,645
Share options reserve	2,339	1,974
Dividend revaluation reserve	<u>1,939</u>	<u>1,939</u>
	<u><u>36,607</u></u>	<u><u>43,558</u></u>

Share premium reserve

The reserve is used to recognise gains and losses on the change of PPK's interest in subsidiaries that do not result in a change of control. During 2024, PPK's interest in LIS and WGL decreased due to capital raises and share disposal transactions to non-controlling interests. As these changes did not result in PPK losing control, the corresponding gains were recognised in the share premium reserve.

On deconsolidation of LIS on 31 October 2024, \$8,217,000 of the share premium reserve was transferred to retained earnings.

Share options reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

The fair value of the options at issue date is deemed to represent the value of employee services received over the vesting period, recognised as a proportional share-based payment expense during each reporting period, with the corresponding credit taken to a share option reserve.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 24. Reserves (continued)

Dividend revaluation reserve

The reserve was used to recognise the internal profits generated from issue of LIS shares to PPK shareholders in the form of a special dividend of \$0.025 per PPK share held by PPK shareholders on 17 December 2020.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share premium reserve \$'000	Share options reserve \$'000	Dividend revaluation reserve \$'000	Total \$'000
Balance at 1 July 2023	37,561	1,375	1,939	40,875
Issue of performance rights	-	599	-	599
Issue of performance rights in a subsidiary company	-	897	-	897
Reserves belonging to non-controlling interests	-	(897)	-	(897)
Increase in PPK's and related entities interest in LIS's issued capital and reserves	256	-	-	256
Increase in PPK's and related entities interest in WGL's issued capital and reserves	1,822	-	-	1,822
Other movements	6	-	-	6
Balance at 30 June 2024	39,645	1,974	1,939	43,558
Issue of performance rights	-	365	-	365
Issue of performance rights in a subsidiary company	-	203	-	203
Reserves belonging to non-controlling interests	-	(203)	-	(203)
De-consolidation of controlled subsidiary	(8,217)	-	-	(8,217)
Increase in PPK's and related entities interest in WGL's issued capital and reserves	364	-	-	364
Recognition of conversion right of convertible notes held in a subsidiary	537	-	-	537
Balance at 30 June 2025	32,329	2,339	1,939	36,607

Note 25. Dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
Special (in-specie) dividend for the year ended 30 June 2025 of 5.71 cents (2024: \$nil cents) per ordinary share	5,189	-

PPK paid a 5.71 cent per share special ordinary dividend, which was fully satisfied by an in-specie distribution of shares in LIS in October 2024.

The Directors have not declared a final dividend for the year ended 30 June 2025.

Note 25. Dividends (continued)

Franking credits

	Consolidated	
	2025 \$'000	2024 \$'000
Franking credits available for subsequent financial years based on a tax rate of 25%	4	617

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

Note 26. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, equity price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Group does not use derivatives.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of directors (the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Group was exposed to exchange rate transaction risk on foreign currency purchases during the year, with significant purchases of raw materials made in United States Dollar (USD) in its Energy Storage segment. The Group does not undertake significant forward cover or hedge transactions to manage its risk exposure.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	Consolidated	
	2025 \$'000	2024 \$'000
Trade payables	7,991	6,209

The following table demonstrates the sensitivity to a reasonably possible change in US Dollars (USD) exchange rate, with all other variables held constant:

	Consolidated	
	2025 \$'000	2024 \$'000
Change in profit before tax		
Increase in USD currency rate by \$0.05	(571)	(444)
Decrease in USD currency rate by \$0.05	666	517

Note 26. Financial risk management (continued)

Equity price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Interest rate risk may be managed using a mix of floating rate debt and fixed rate instruments.

	Consolidated	
	2025	2024
	\$'000	\$'000
Change in profit before tax		
Increase in interest rate by 1%	5	303
Decrease in interest rate by 1%	(5)	(303)

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
Floating rate instruments		
Cash and cash equivalents	5,058	28,348
Australian unlisted units in investment funds	-	2,000
Borrowings - secured	(3,206)	-
	1,852	30,348
Fixed rate instruments		
Borrowings - secured	(2,000)	-
Lease liabilities	(4,124)	(6,972)
	(6,124)	(6,972)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and note 12 to the financial statements.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

For receivables from third parties, the Group takes adequate security generally by a registered first mortgage over property of the borrower and/or a registered security interest (fixed and circulating) on the Personal Property Securities Register by way of a loan offer, loan agreement, general security interest agreement and deed of guarantee and indemnity and mortgage.

For receivables from related parties, the Group has oversight to the operations of the business through directors appointed to the Board of these entities, and regular operating and financial information being provided to the Group. As a result, the Group can influence the financial performance of the related parties and take appropriate actions to protect its loans.

Note 26. Financial risk management (continued)

The Group also has a credit risk exposure in relation to cash at bank. The Group's policy is to ensure funds are invested with Tier 1 Australian banks thus minimising the Group's exposure to this credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated 2025 \$'000	2024 \$'000
Other loans - secured	200	-

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2025	Weighted average interest rate %	Carrying amount \$'000	1 year or less \$'000	Between 1 and 3 years \$'000	Over 3 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables		11,623	11,623	-	-	11,623
Borrowings - unsecured		202	-	202	-	202
<i>Interest-bearing - variable</i>						
Borrowings - secured	8.35%	3,206	3,331	-	-	3,331
<i>Interest-bearing - fixed rate</i>						
Borrowings - secured (LIS)	10.00%	2,000	2,165	-	-	2,165
Borrowings - secured (Convertible notes)	53.00%	841	136	1,171	-	1,307
Lease liability	7.20%	4,124	1,196	2,467	1,133	4,796
Total non-derivatives		21,996	18,451	3,840	1,133	23,424

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 26. Financial risk management (continued)

Consolidated - 2024	Weighted average interest rate %	Carrying amount \$'000	1 year or less \$'000	Between 1 and 3 years \$'000	Over 3 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables		9,771	9,771	-	-	9,771
Borrowings - unsecured		604	-	604	-	604
<i>Interest-bearing - variable</i>						
Borrowings - secured	5.00%	2,834	3,333	-	-	3,333
<i>Interest-bearing - fixed rate</i>						
Lease liability	7.20%	6,972	1,632	3,378	3,480	8,490
Total non-derivatives		20,181	14,736	3,982	3,480	22,198

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 27. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Listed equity investments - shares	172	-	-	172
Total assets	172	-	-	172

Consolidated - 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Listed equity investments	185	-	-	185
Australian unlisted units in investment trusts	-	-	2,000	2,000
Unlisted equity investments	-	-	2,610	2,610
Total assets	185	-	4,610	4,795

The level 1 fair value of listed equity investments are determined by reference to the published closing price of the shares on the ASX on 30 June 2025.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 28. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,219,600	1,720,454
Share-based payments	282,365	305,463
Post-employment benefits	64,383	82,500
	1,566,348	2,108,417

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	463,592	473,755
<i>Other services - Ernst & Young</i>		
Tax compliance services and general taxation advice	17,500	76,000
	481,092	549,755

Note 30. Contingent assets and contingent liabilities

The Group had no contingent assets or contingent liabilities as at 30 June 2025 and 30 June 2024.

Note 31. Commitments

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	1,083
Intangible assets - commitments to Deakin University ¹	413	5,869
Intangible assets - other	-	178

(1) A number of PPK's subsidiaries have outstanding commitments to Deakin University for projects contracted under Deakin's Recycling and Clean Energy Commercialisation Hub ('REACH').

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Note 32. Related party transactions

Parent entity

PPK Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Associates

Interests in associates are set out in note 15.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties

(a) Supply Agreement between LIS and BNNT Technology Pty Ltd (BNNTTPL)

On 9 July 2021, a supply agreement for the supply of BNNTs, with a purity of at least 95% or otherwise agreed, for the purpose of using BNNTs in the development, testing and manufacture of the LIS batteries. The key terms of the supply agreement are as follows:

- LIS may only order from BNNTTPL to use BNNTs in the Customer's development, testing and manufacture of batteries or any other purpose agreed between the parties in writing; and
- the initial term of the agreement is 5 years and it automatically renews for further 2 year terms unless LIS elects not to renew the agreement by giving at least 3 months' notice prior to the expiry of the latest term.

(b) Distribution Agreement between LIS and BNNTTPL

On 9 July 2021, a worldwide exclusive distribution agreement pursuant to which LIS is appointed as distributor for BNNT products, with a purity of at least 95% or otherwise agreed, within the battery industry, with certain exclusive distribution rights in respect of lithium-sulphur batteries. The key material terms of the distribution agreement are as follows:

LIS may only buy BNNTs from BNNTTPL to:

- distribute on an exclusive basis BNNTs to third party customers (Customers), provided the Customers are only permitted to use BNNTs to develop, test or manufacture lithium-sulphur batteries; and
- distribute on a non-exclusive basis BNNTs to Customers, provided the Customers are only permitted to use BNNTs to:
 - develop, test or manufacture batteries that are not lithium-sulphur batteries (including to stockpile BNNTs for later use in accordance with forecasts);
 - manufacture nanomesh products incorporating BNNTs (including Li-Nanomesh) for the use in any form or type of battery; and
 - any other purpose agreed between the parties in writing.

LIS is not restricted from distributing Li-Nanomesh (or other nanomesh products), or BNNTs to LIS's customers who have a licence from LIS to manufacture Li-Nanomesh (or other nanomesh products).

The initial term of the agreement is 5 years and it automatically renews for further 2 year terms unless LIS elects not to renew the agreement by giving at least 3 months' notice prior to the expiry of the latest term.

(c) Management Services Agreement between LIS and PPK Aust. Pty Ltd

A management services agreement pursuant to which PPK Aust. Pty Ltd (PPK Aust) will provide administrative functions such as accounting, record keeping, reporting, legal, company secretarial support, IT/systems support, etc. It is also appointed, to the extent permitted by law, facilitate/oversee the funding and capital raising requirements of the company and is paid a funding fee of up to 1% of any debt or capital raised that it facilitates. PPK Aust will also provide staff to act in key officer roles including the public officer, chief financial officer and company secretary. The key material terms of the management services agreement are as follows:

- PPK Aust is paid a fee for providing the management services, which the scope of services to be provided and the fee is reviewed and agreed between the parties every 3 months;
- the agreement was for an initial term of 3 years, and has since been renewed by PPK Aust for a further 3 year term;
- PPK Aust may terminate the agreement on 30 days' notice if it is not satisfied with the Annual Plan of LIS;
- LIS may terminate the agreement at will on 6 months' notice; and
- LIS indemnifies PPK Aust for any loss that arises from the performance by PPK Aust of its obligations under the agreement.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 32. Related party transactions (continued)

The following transactions occurred with related parties:

	Consolidated	
	2025	2024
	\$	\$
Other income:		
Management fee income from associate entities	698,500	7,200
Rental income from associate entities	8,000	-
Interest income from associate entities	-	20,712
Payment for other expenses:		
Interest paid to director-related entities	54,883	-
Interest paid to associate entities	133,151	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2025	2024
	\$	\$
Current receivables:		
Other receivables from associate entities	4,250	-
Current payables:		
Other payables to associate entities	16,986	-

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2025	2024
	\$	\$
Current borrowings:		
Loan from director-related entities	1,040,499	-
Loan from associate entities	2,000,000	-

Loan from director-related entities

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPKIH) and PowerPlus Energy Pty Ltd (PPE) entered into a secured convertible note deed under which PPE will issue up to \$2,000,000 in notes. PPK subscribed for up to \$1,000,000 in notes with the remaining \$1,000,000 subscribed for by two entities related to Glenn Molloy (PPK Executive Director). As at June 2025, the Glenn Molloy related entities had subscribed for \$800,000 of the notes. The notes are secured and include a redemption option in favour of PPE, with an early redemption premium applicable if the notes are redeemed before the maturity date. The notes bear interest at 10% per annum, have a maturity date of 16 August 2027, and include a conversion option allowing the notes to be converted into equity in PPE at a predetermined fixed conversion price.

In addition, on 6 June 2025, a Glenn Molloy related entity extended a loan of \$200,000 to the newly incorporated subsidiary of PPE, PPE Whispr. The interest free loan was to assist with short-term working capital requirements and has been repaid in July 2025.

Loan agreement with Li-S Energy Limited

On 19 April 2023, the Company entered into a loan facility with LIS for \$2,000,000, on a fully secured basis, for a period of up to 24 months and at a fixed interest rate of 10.0% per annum. At 30 June 2025, the Group had fully drawn down the \$2,000,000 loan facility. The loan agreement term which expires in April 2026, was extended to October 2026 on 25 August 2025. The security interest taken is against the shares held by PPK Group in CIB.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$'000	\$'000
Profit/(loss) after income tax	12,082	(876)
Total comprehensive income/(loss)	12,082	(876)

Statement of financial position

	Parent	
	2025	2024
	\$'000	\$'000
Total current assets	14,151	14,324
Total non-current assets	29,577	29,579
Total assets	43,728	43,903
Total current liabilities	2,032	17
Total non-current liabilities	-	2,000
Total liabilities	2,032	2,017
Net assets	41,696	41,886
Equity		
Issued capital	62,697	62,398
Accumulated losses and other reserves	(21,001)	(20,512)
Total equity	41,696	41,886

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
PPK Aust. Pty Ltd	Australia	100.00%	100.00%
PPK Investment Holdings Pty Ltd	Australia	100.00%	100.00%
AIC Investment Corporation Pty Ltd	Australia	100.00%	100.00%
BNNT Ballistics Pty Ltd	Australia	100.00%	100.00%
PPK Plans Pty Ltd ⁵	Australia	100.00%	100.00%
PPK Plans 2 Pty Ltd ⁶	Australia	100.00%	100.00%
PPK Investment Trading Pty Ltd (fka Mask Innovation Pty Ltd) ⁷	Australia	91.00%	91.00%
BNNT Technology Pty Limited ¹	Australia	51.00%	51.00%
PowerPlus Energy Pty Ltd	Australia	51.00%	51.00%
PPE Whispr Division Pty Ltd ⁸	Australia	51.00%	-
White Graphene Limited ¹	Australia	48.91%	50.90%
WGL Plans Pty Ltd ²	Australia	48.91%	50.90%
BNNT Precious Metals Pty Ltd	Australia	45.00%	45.00%
3D Dental Technology Pty Ltd ⁴	Australia	45.00%	45.00%
Li-S Energy Limited ⁹	Australia	-	45.40%
LIS Plans Pty Ltd ⁹	Australia	-	45.40%
Strategic Alloys Pty Ltd ³	Australia	-	45.00%
Willoughby NSW Holdings Pty Ltd ¹⁰	Australia	-	100.00%
Willoughby NSW Pty Ltd ¹⁰	Australia	-	100.00%

(1) On 10 July 2025, PPK announced the merger of White Graphene Limited and BNNT Technology Pty Ltd. As at the signing date of this report, PPK holds 49.32% of the merged entity.

(2) WGL Plans Pty Ltd is the trustee for the WGL Long Term Incentive Plan.

(3) Deregistered in October 2024.

(4) The process to deregister 3D Dental Technology Pty Ltd commenced prior to 30 June 2024. The company was deregistered on 30 July 2025.

(5) PPK Plans Pty Ltd is the trustee for the PPK Long Term Incentive Plan.

(6) PPK Plans 2 Pty Ltd is the trustee for the PPK Executive Rights Plan.

(7) Mask Innovation Pty Ltd changed its name to PPK Investment Trading Pty Ltd on 17 July 2025.

(8) PPE Whispr Division Pty Ltd was incorporated on 26 May 2025 and is a wholly owned subsidiary of Powerplus Energy Pty Limited.

(9) On 31 October 2024, the deconsolidation of Li-S Energy Limited (ASX: LIS) was finalised following a series of transactions initiated by PPK Group Limited. As a result, PPK ceased to control LIS and deconsolidated it from its accounts. The remaining interest in LIS is now recognised as an investment in associate under the equity method of accounting. Refer to note 9.

(10) On 10 June 2025, PPK assigned all its shares in this entity for a nominal amount as a prelude to liquidation of that entity.

During the 2025 financial year, PPK had three subsidiaries that had material transactions which were consolidated into the PPK financial statements; WGL, BNNTTPL and PPE.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 34. Interests in subsidiaries (continued)

2025	BNNTTPL	WGL	PPE
Summarised statement of financial position	\$'000	\$'000	\$'000
Assets			
Current assets	4,869	-	8,988
Non-current assets	-	-	8,137
Current liabilities	(581)	(208)	(16,666)
Non-current liabilities	-	-	(3,011)
Total identifiable net assets	4,288	(208)	(2,552)
Non-controlling interest	-	-	-
Net assets attributable to the Group	4,288	(208)	(2,552)
Summarised statement of profit or loss			
Revenue from contracts with customers	16	50	22,990
Other income	42	34	28
Administration and other expenses	(5,728)	(1,899)	(26,877)
Profit (loss) for the year before income tax (continuing operations)	(5,670)	(1,815)	(3,859)
Income tax benefit (expense)	-	-	961
Profit (loss) for the year after income tax (continuing operations)	(5,670)	(1,815)	(2,898)
Attributable to:			
Equity holders of parent	(2,892)	(924)	(1,478)
Non-controlling interest	(2,778)	(891)	(1,420)
Summarised cash flow information			
Operating	(874)	(1,211)	(582)
Investing	112	(283)	(189)
Financing	-	1,448	992
Net increase/(decrease) in cash and cash equivalents	(762)	(46)	221

During the 2024 financial year, PPK had four subsidiaries that had material transactions which were consolidated into the PPK financial statements; LIS, WGL, BNNTTPL and PPE.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 34. Interests in subsidiaries (continued)

2024	LIS	BNNTTPL	WGL	PPE
Summarised statement of financial position	\$'000	\$'000	\$'000	\$'000
Assets				
Current assets	27,030	1,068	93	10,527
Non-current assets	16,115	6,714	3,611	9,888
Current liabilities	(1,662)	(615)	(335)	(13,451)
Non-current liabilities	(995)	(1,454)	(533)	(6,154)
Total identifiable net assets	40,488	5,713	2,836	810
Non-controlling interest	(22,127)	(2,798)	(1,620)	(198)
Net assets attributable to the Group	18,361	2,915	1,216	612
Summarised statement of profit or loss				
Revenue from contracts with customers	4	47	2	27,470
Other income	1,436	85	15	214
Administration and other expenses	(6,064)	(2,426)	(2,677)	(30,640)
Loss for the year before income tax (continuing operations)	(4,624)	(2,294)	(2,660)	(2,956)
Income tax benefit (expense)	-	524	-	591
Loss for the year after income tax (continuing operations)	(4,624)	(1,770)	(2,660)	(2,365)
Attributable to:				
Equity holders of parent	(2,608)	(903)	(1,135)	(1,959)
Non-controlling interest	(2,548)	(867)	(1,488)	(406)
Summarised cash flow information				
Operating	(2,940)	(1,279)	(1,560)	(152)
Investing	(6,496)	1,608	(346)	(204)
Financing	(1,204)	-	840	(533)
Net (decrease)/increase in cash and cash equivalents	(10,640)	329	(1,066)	(889)

Note 35. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- PPK Group Limited
- PPK Aust. Pty Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by PPK Group Limited, they also represent the 'Extended Closed Group'.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 35. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2025	2024
	\$'000	\$'000
Statement of profit or loss and other comprehensive income		
Revenue from contracts with customers	1,625	1,950
Other income	27,670	1,805
Other expenses	(22,551)	(9,463)
Finance costs	(254)	(264)
	<hr/>	<hr/>
Profit/(loss) before income tax expense	6,490	(5,972)
Income tax expense	(6,035)	-
	<hr/>	<hr/>
Profit/(loss) after income tax expense	455	(5,972)
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income/(loss) for the year	<hr/> 455 <hr/>	<hr/> (5,972) <hr/>
Statement of financial position		
Current assets		
Cash and cash equivalents	3,565	4,006
Trade and other receivables	620	286
Other assets	127	94
	<hr/>	<hr/>
	4,312	4,386
Non-current assets		
Financial assets at fair value through profit or loss	-	26,085
Investments	26,144	4,338
Property, plant and equipment	614	73
Deferred tax assets	1,188	-
Other assets	3,233	-
	<hr/>	<hr/>
	31,179	30,496
	<hr/>	<hr/>
Total assets	<hr/> 35,491 <hr/>	<hr/> 34,882 <hr/>

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 35. Deed of cross guarantee (continued)

	2025 \$'000	2024 \$'000
Statement of financial position		
Current liabilities		
Trade and other payables	18,766	20,345
Borrowings	2,000	-
Lease liabilities	152	130
Provisions	1,276	1,104
	22,194	21,579
Non-current liabilities		
Trade and other payables	13,225	-
Lease liabilities	431	583
Provisions	40	40
	13,696	623
Total liabilities	35,890	22,202
Net assets/(liabilities)	(399)	12,680
Equity		
Issued capital	62,697	62,379
Reserves	2,715	(3,146)
Accumulated losses	(65,811)	(46,553)
	(399)	12,680

Note 36. Share-based payments

PPK share-based payment programs

PPK has two share payment programs for employee remuneration:

- (a) Executive Rights Plan; and
- (b) Previous Long Term Incentive Plan.

a. Executive Rights Plan

A summary of the grants currently on issue are as follows:

Grant	FY25 Performance Rights	FY24 Performance Rights
Award date	18 December 2024	27 September 2023
Vesting date	30 June 2027	30 June 2026
Expiry date	18 December 2039	27 September 2038
Service condition	1 July 2024 - 30 June 2025	1 July 2023 - 30 June 2024
Performance rights	Each vested right can be exercised for one share in PPK Group Limited	Each vested right can be exercised for one share in PPK Group Limited
Number of performance rights granted at grant date	1,546,256	865,776
Share price at grant date	\$0.3600	\$0.8550
Average fair value at grant date	\$0.2620	\$0.4400
Exercise price	\$Nil	\$Nil
Expected life	2.53 years	2.76 years
Volatility	80.00%	70.00%
Risk free interest rate	3.832%	4.165%
Dividend yield	Nil	Nil

Note 36. Share-based payments (continued)

The measurements used for the Performance Rights granted are as follows:

Nature	Weighting	FY25		FY24	
		Fair value at grant date	# of Rights granted	Fair value at grant date	# rights granted
Strategic Goals	30.0%	\$0.2700	463,876	\$0.8550	259,733
Operational Goals	35.0%	\$0.2700	541,190	\$0.8550	303,022
ESG Goals	10.0%	\$0.3600	154,626	\$0.8550	86,578
aTSR	25.0%	\$0.2020	386,564	\$0.3744	216,444

The nature and weighting of the vesting conditions are consistent for each participant but the vesting conditions are tailored for the role that each Participant performs. The Nomination and Remuneration Committee will use their judgement to assess whether the vesting conditions have been met.

The FY24 and FY25 performance rights were fully expensed in the FY24 and FY25 financial year respectively in line with their service period conditions as they are in relation to the participant's June 2024 and June 2025 remuneration, although the assessment of the vesting conditions is determined over the three-year measurement period.

The share price on grant date used for the purpose of setting the aTSR hurdle is determined based on an appropriate 20-day VWAP, ordinarily ending on the grant date. There are no exercise prices payable for these rights.

b. Previous Long Term Incentive Plan (LTI Plan) (until 2021)

PPK previously had an LTI plan in place up until 30 June 2021 which is still managed as a Trust on behalf of the remaining participants, being one previous director, and one previous senior manager of PPK. The vested Performance Rights can be converted to PPK shares on a one-for-one basis. The previous LTI plan was approved by shareholders at the Annual General Meeting on 27 November 2018.

As at 30 June 2025, the Trust held 90,000 shares in PPK to satisfy the 90,000 relevant vested but unexercised performance rights.

Group share-based payment programs

Entities within the Group also have share-based payment arrangements. Whilst the purpose and approach of each plan are consistent with that of PPK, the plans are tailored to the requirements of each individual entity and the directors and executives that participate may not be key management personnel of PPK.

WGL share-based payment program

WGL has adopted the WGL Executive Rights Plan under which the Board of WGL may invite eligible employees, directors and consultants to apply for share rights to be issued in accordance with, and subject to the terms of the Executive Rights Plan. Each share right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in WGL.

During 2025, WGL issued 160,000 (2024:Nil) service rights under the Executive Rights Plan to its Directors and senior executives. Nil of the service rights (2024:Nil) have vested.

During 2025, WGL issued Nil (2024: 1,500,000) service rights under the Executive Rights Plan to its CTO. 1,500,000 of the service rights (2024: 1,000,000) have vested.

The value of the service rights is calculated by reference to the share price of \$0.50 per share, being the price at which shares were issued in the prior year capital raise.

PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 36. Share-based payments (continued)

Set out below are the rights exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
09/10/2024	09/10/2039	-	-
22/06/2023	22/06/2038	1,500,000	1,000,000
		<u>1,500,000</u>	<u>1,000,000</u>

Share-based payment expense

	No of Rights	Fair value of payment \$	Rights value \$	2025 Expense \$	2024 Expense \$
<i>PPK</i>					
FY24 performance rights	865,776	0.690	599,204	-	599,204
Share issued in settlement of business dispute (refer note 23)	1,136,011	0.440	500,000	-	500,000
FY25 performance rights	1,546,256	0.246	364,916	364,916	-
FY25 vested rights - special grant ⁽¹⁾	232,554	-	-	364,532	-
<i>LIS and WGL</i>					
FY24 performance rights	3,086,733	-	-	-	897,000
FY25 performance rights	40,000	-	-	254,026	-
				<u>983,474</u>	<u>1,996,204</u>

(1) Ms Prices' FY24 STI was received in the form of vested rights in PPK Group Limited, rather than cash, reinforcing long-term alignment with shareholder returns. There were no vesting conditions to the rights.

Accounting policy

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using [either the Binomial or Black-Scholes option pricing model] that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 36. Share-based payments (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Critical accounting judgements, estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using [either the Binomial or Black-Scholes model] taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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PPK Group Limited
Notes to the consolidated financial statements
For the year ended 30 June 2025

Note 37. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2025	2024
	\$'000	\$'000
Loss after income tax (expense)/benefit for the year	(25,717)	(15,891)
Adjustments for:		
Depreciation and amortisation	2,562	3,417
Write-off of intangible assets	1,900	-
Impairment of property, plant and equipment	2,461	-
Impairment of investments in associates	25,659	-
Share of profit - associates after tax	(2,781)	(1,125)
Share-based payments	983	1,996
Impairment of loan	-	75
Income tax expense/(benefit)	(1,540)	(1,354)
Unrealised foreign exchange loss/(gain)	13	(767)
Unrealised loss/(gain) of financial assets at FVTPL	14	(227)
Realised loss/(gain) on sale of financial assets at FVTPL	8	(572)
Gain on disposal of discontinued operation	(12,180)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(4,261)	(1,541)
Decrease in inventories	1,053	4,559
Decrease/(increase) in prepayments	(1)	276
Increase in trade and other payables	8,207	2,304
Increase/(decrease) in insurance contracts issued that are liabilities	(1,935)	17
Decrease in other provisions	(1,348)	(1,077)
Net cash used in operating activities	<u>(6,903)</u>	<u>(9,910)</u>
<i>Non-cash investing and financing activities</i>		
Additions to the right-of-use assets	<u>-</u>	<u>1,757</u>

Changes in liabilities arising from financing activities

Consolidated	Other loans	Lease	Total
	\$'000	liability	\$'000
	\$'000	\$'000	\$'000
Balance at 1 July 2023	3,347	6,327	9,674
Net cash used in financing activities	-	(914)	(914)
Interest and finance charges	-	559	559
Interest and finance charges paid	-	(559)	(559)
Acquisition of leases	-	1,757	1,757
Other changes	91	(198)	(107)
Balance at 30 June 2024	3,438	6,972	10,410
Net cash from/(used in) financing activities	1,000	(867)	133
Interest and finance charges	49	357	406
Acquisition of leases	-	2	2
Lease modification	-	(899)	(899)
Other changes	(1,274)	(303)	(1,577)
Disposals due to loss of control of subsidiary	-	(1,138)	(1,138)
Balance at 30 June 2025	<u>3,213</u>	<u>4,124</u>	<u>7,337</u>

Note 38. Events after the reporting period

In July 2025 White Graphene Limited (WGL) and BNNT Technology Pty Ltd (BNNT) merged into a single nanomaterials business. As part of the transaction, WGL has acquired 100% of the shares in BNNT in exchange for shares in WGL. Following completion of the merger, PPK now directly holds 49.32% of the shares on issue in WGL while control is maintained, versus 48.91% prior to the merger. The merger was implemented to improve commercial efficiency and obtain operational synergies. Engagements with prospective partners and customers often involve the full suite of boron nitride nanomaterials, and a single point of entry into the Group's nanomaterials capability allows for more streamlined and coordinated discussions. The combination will also deliver governance, audit and overhead efficiencies.

As reported in July 2025 PPK received an unsolicited, non-binding and indicative offer to acquire its stake in CIB. Due diligence materials were provided during the second half of FY25, and significant engagement occurred. Despite these discussions the offer was unable to be concluded, however it does support PPK's broad expectations around the value and attractiveness of the business.

On 18 July 2025, PPK received a dividend from CIB of \$2,400,000.

On 25 August 2025 PPK extended the term of the \$2,000,000 loan from LIS for a further six months to October 2026.

As previously noted, PPK was required under the Accounting Standards to impair its 39.24% investment in LIS, which is accounted for as an investment in an Associate. The non-cash impairment of \$22,413,000 before tax (\$16,810,000 post tax) was based on a closing market price for LIS shares of 10.5 cents per share at 30 June 2025, less the estimated costs of disposal. PPK notes that, post year end, the market price of LIS shares has increased to 16 cents per share (27 August 2025), which would currently reflect a reversal of approximately \$14 million before tax (approximately \$10 million post tax) of the impairment recorded at 30 June 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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PPK Group Limited
Consolidated entity disclosure statement
As at 30 June 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
PPK Group Limited ¹	Body corporate	Australia	-	Australia
PPK Aust. Pty Ltd	Body corporate	Australia	100.00%	Australia
PPK Investment Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
AIC Investment Corporation Pty Ltd	Body corporate	Australia	100.00%	Australia
BNNT Ballistics Pty Ltd	Body corporate	Australia	100.00%	Australia
PPK Plans Pty Ltd ²	Body corporate	Australia	100.00%	Australia
PPK Plans 2 Pty Ltd ²	Body corporate	Australia	100.00%	Australia
PPK Investment Trading Pty Ltd (fka Mask Innovation Pty Ltd)	Body corporate	Australia	91.00%	Australia
BNNT Technology Pty Limited	Body corporate	Australia	51.00%	Australia
PowerPlus Energy Pty Ltd	Body corporate	Australia	51.00%	Australia
PPE Whispr Division Pty Ltd	Body corporate	Australia	51.00%	Australia
White Graphene Limited	Body corporate	Australia	48.91%	Australia
White Graphene Limited Employee Share Trust	Trust	N/A	-	N/A
WGL Plans Pty Ltd ²	Body corporate	Australia	48.91%	Australia
BNNT Precious Metals Pty Ltd	Body corporate	Australia	45.00%	Australia
3D Dental Technology Pty Ltd	Body corporate	Australia	45.00%	Australia
PPK Long Term Incentive Plan	Trust	N/A	-	N/A
PPK Executive Rights Plan	Trust	N/A	-	N/A

⁽¹⁾ Parent entity.

⁽²⁾ Entities are trustees for the Employee Share Trusts in the Group.

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PPK Group Limited
Directors' declaration
For the year ended 30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Anne-Marie Birkill
Non-Executive Chair

29 August 2025
Brisbane

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Independent auditor's report to the members of PPK Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of PPK Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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Accounting for investment in Li-S Energy Limited (Li-S)

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 9, during the year the Group divested a portion of its interest in Li-S, resulting in the loss of control of Li-S and a change in accounting treatment from a consolidated subsidiary to an equity-accounted investment.</p> <p>This transaction is significant due to its financial impact and the complexity involved in determining the appropriate accounting treatment under AASB 10 <i>Consolidated Financial Statements</i> ("AASB 10") and AASB 128 <i>Investments in Associates and Joint Ventures</i> ("AASB 128").</p> <p>In addition, AASB 128 requires an equity-accounted investment be tested for impairment if a decline in its fair value is significant or prolonged. As disclosed in Note 15, the Group recorded an impairment against its equity accounted investment in Li-S at 30 June 2025.</p> <p>Key estimates and judgments in relation the Group's accounting for Li-S included:</p> <ul style="list-style-type: none"> • Determining the date on which control was lost. • Measuring the fair value of the retained interest at the date of loss of control and recognising any gain or loss on disposal. • Assessing whether the retained interest meets the requirements for equity accounting. • Assessing the derecognition of assets, liabilities, and non-controlling interests of the former subsidiary and the recognition of the equity-accounted investment. • Evaluating whether the observed decline in Li-S share price, being a measure of fair value, met the AASB 128 threshold of significant or prolonged. • Estimating the recoverable amount of the Group's investment in Li-S. <p>The magnitude of the Group's investment in Li-S, the complexity in accounting for the loss of control transaction and the judgment required in assessing whether AASB 128 impairment indicators were present at 30 June 2025, meant we considered the accounting for the Group's investment in Li-S to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Reading the transaction documents to assess the nature and timing of the divestment and loss of control. • Evaluating management's determination of the date of loss of control and the fair value of the retained interest. • Recalculating the gain on disposal and assessing the derecognition of Li-S' assets and liabilities and the allocation of assets and liabilities to the disposal group. • Evaluating the application of equity accounting to the retained interest, including the recognition of the Group's share of post-acquisition losses for the period. • Evaluating management's assessment of impairment indicators, including analysis of the investee's share price trends and volatility and assessing whether any decline in market value was significant or prolonged, and whether it triggered an impairment testing. • Evaluating the methodology and assumptions used by management to estimate the recoverable amount. • Evaluating the adequacy and appropriateness of the disclosures included in the notes to the financial statements in respect of the loss of control transaction, the Group's subsequent equity accounting and impairment assessment.

Impairment testing of intangible assets, right-of-use assets and property, plant and equipment

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Notes 16, 17 and 18, the Group's continuing operations recorded property, plant and equipment of \$3,457,000, right of use assets of \$3,696,000 and intangible assets of \$5,657,000 as at 30 June 2025.</p> <p>The Group performs an annual impairment assessment for indicators of impairment for property, plant and equipment, right-of-use assets, and intangible assets other than goodwill and intangible assets not yet available for use. Where indicators of impairment are present for individual development assets, the recoverable amount of the assets are assessed and compared to their carrying value.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Evaluating the Group's assessment of its CGUs for consistency with the requirements of Australian Accounting Standards. ▶ Evaluating the completeness of the Group's assessment of impairment indicators for property, plant and equipment, right-of-use assets and intangible assets in use in each CGU.



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Why significant	How our audit addressed the key audit matter
<p>Goodwill and intangibles not yet available for use are tested annually regardless of indicators. An assessment is also made of indicators of impairment for each individual Cash Generating Unit (CGU).</p> <p>The significant assumptions used in the impairment testing referred to above are inherently subjective. Based on the size of the assets amounts and the judgement involved in determining the recoverable amount, we considered this a key audit matter.</p>	<ul style="list-style-type: none"> ▶ Assessing management’s commercial basis for the development and commercialisation of products in process development. ▶ Analysing the Group’s financial performance and assessed the key assumptions within the impairment assessment of each CGU including the commercial prospects, growth rate and discount rate, involving EY’s internal valuation and modelling specialists where required. ▶ Assessing the adequacy and appropriateness of the disclosures included in Notes to the financial report.

Information other than the financial report and auditor’s report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group’s 2025 annual report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



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matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of PPK Group Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Madhu Nair
Partner
Brisbane
29 August 2025

PPK Group Limited
Shareholder information
For the year ended 30 June 2025

The shareholder information set out below was applicable as at 21 August 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	461	0.31
1,001 to 5,000	1,232	3.37
5,001 to 10,000	382	3.24
10,001 to 100,000	514	17.19
100,001 and over	118	75.89
	<u>2,707</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>289</u>	<u>0.12</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
SAMTYL INVESTMENTS PTY LTD <THE MOLLOY FAMILY A/C>	14,011,998	15.47
EQUIPMENT COMPANY OF AUSTRALIA PTY LTD	7,974,336	8.81
SMN HOLDINGS PTY LTD	3,230,000	3.57
MCNAMARA SUPER GROUP PTY LTD <MCNAMARA SUPER FUND A/C>	2,775,919	3.07
CONTEMPLATOR PTY LTD <ARG PENSION FUND A/C>	2,326,000	2.57
IRONFURY PTY LTD <THE DAVID DUNN FAMILY A/C>	1,987,888	2.20
IGNITION CAPITAL PTY LTD <THE IGNITION A/C>	1,720,000	1.90
HOUGHTON WATERVILLE PTY LTD <A & J HURWITZ S/F A/C>	1,600,090	1.77
IGNITION CAPITAL NO 2 PTY LTD <IGNITION SUPER FUND A/C>	1,290,000	1.42
FLYNFAM PTY LTD <FLYNN FAMILY A/C>	1,136,011	1.25
JOHN E GILL OPERATIONS PTY LIMITED <JOHN E GILL NO 2 A/C>	1,102,221	1.22
HOWARTH COMMERCIAL PTY LIMITED	1,024,842	1.13
MR LESLIE JOHN FIELD + MRS EVE FIELD	1,007,584	1.11
CITICORP NOMINEES PTY LIMITED	957,848	1.06
SASH INVESTMENT GROUP PTY LTD <SAMANTHA MOLLOY FAMILY A/C>	955,000	1.05
MINOAN CORPORATION LIMITED	700,000	0.77
MR DAVID ANTHONY O'BRIEN	680,400	0.75
RATHVALE PTY LIMITED	622,229	0.69
EST MR FRANCESCO MARIO NAPOLI	597,181	0.66
NN CAPITAL PTY LTD	586,672	0.65
Top 20 holders of Ordinary Fully Paid Total	<u>46,286,219</u>	<u>51.12</u>
Total Remaining Holders Balance	<u>44,526,279</u>	<u>48.88</u>

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares % of total shares issued
	Number held
SAMTYL INVESTMENTS PTY LTD <THE MOLLOY FAMILY A/C>	14,011,998
EQUIPMENT COMPANY OF AUSTRALIA PTY LTD	7,974,336

Unquoted equity securities

Security	Total holders	Number	Terms
Performance Rights	2	90,000	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2021 but remain unexercised.
Performance Rights	3	40,704	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2023 but remain unexercised.
Performance Rights	3	40,104	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2024 but remain unexercised.
Performance rights	1	67,222	Each Performance Right is an entitlement, upon vesting exercise, to an ordinary fully paid share in the Company. The Performance Rights vested on 20 September 2024 but remain unexercised.
Performance Rights	4	193,452	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2025 but remain unexercised.
Performance Rights	6	745,514	Each Performance Right is an entitlement, upon vesting exercise, to an ordinary fully paid share in the Company. The Performance Rights will be assessed against the vesting conditions in June 2026.
Performance Rights	8	2,162,221	Each Performance Right is an entitlement, upon vesting exercise, to an ordinary fully paid share in the Company. The Performance Rights will be assessed against the vesting conditions in June 2027.
	<u>27</u>	<u>3,339,217</u>	

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Other than the Performance Right, there are no other classes of equity securities.

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